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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | R | Paris, Monday, November 17, 1997 | No. 35,680

TODAY: SPORTS Sampras Wins Again, Page 22

الجامعة الأردنية مركز الوثائق والمعلومات

China Frees Leading Dissident

Wei Jingsheng In Detroit Hospital

Compiled by Our Staff From Dispatches

DETROIT — China's most prominent pro-democracy campaigner arrived in the United States on Sunday after having unexpectedly been released from a prison where he had spent nearly all of the last 18 years.

Wei Jingsheng, 47, left Beijing earlier Sunday to seek medical treatment in the United States for heart problems and high blood pressure. He was immediately taken to Henry Ford Hospital after his flight landed. The hospital declined to comment on the condition of Mr. Wei, who was expected to go on to New York.

President Bill Clinton welcomed Mr. Wei's arrival. "After he gets that treatment, the president looks forward to meeting with him," said the White House chief of staff, Erskine Bowles.

Mr. Wei's release followed Western pressure on China over human rights. A White House spokesman, Joe Lockhart, said Mr. Wei's case had been discussed at last month's meeting in Washington between Mr. Clinton and President Jiang Zemin of China. Mr. Wei was jailed in 1995 for 14 years. He had served all but six months of a 15-year sentence imposed in 1979 for his role in the 1978-79 Democracy Wall movement. *(AP, Reuters)*



Greg Baker/The Associated Press

Wei Jingsheng during six months of freedom between sentences.

Beijing Rids Itself Of Potential Martyr

By Seth Faison
New York Times Service

BEIJING — By releasing Wei Jingsheng, China's leading dissident, and sending him into exile in the United States, Chinese leaders have made a major concession to international pressure. They also rid themselves of China's most potent political martyr.

Mr. Wei, whose eloquent writing landed him in prison 18 years ago, and whose refusal to bend kept him there, was taken from a labor camp on Saturday night and brought to Beijing to see his family before departing for the United States on Sunday.

Mr. Wei's brother described him as buoyant, carrying the same upbeat spirit that seemed to keep him alive

NEWS ANALYSIS

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Iraq Hints at a Compromise

Americans Could Join, but Not Dominate, Inspectors

By Joseph Fitchett
International Herald Tribune

PARIS — Iraq hinted at a compromise Sunday in its confrontation with the United Nations over arms inspections with a suggestion that U.S. monitors could return to the country if the monitoring teams were broadened.

Tariq Aziz, the deputy prime minister, told Le Figaro that his country wanted the UN inspection teams to include equal representation of all five permanent members of the Security Council — a change from the present situation in which Iraq claims that the United States dominates the teams. Britain, France and Russia have inspectors on the team but China, the other permanent member of the Security Council, does not.

President Saddam Hussein of Iraq said Sunday that he hoped a conflict would be averted, although he offered no proposals on compromise.

"Iraq does not seek conflict with the United States and if there is a solution to this crisis, we would be happy," he said in a statement carried by the Iraqi news agency, INA.

The apparent opening came as Russia agreed to mediate with Iraq, and U.S. diplomatic and military officials emphasized that the Clinton administration wanted to exhaust diplomatic efforts to resolve the crisis. (Page 12)

"If this formula was accepted, we would have no objection to the return of the American inspectors we have expelled," Mr. Aziz said in the Figaro interview, released Sunday night.

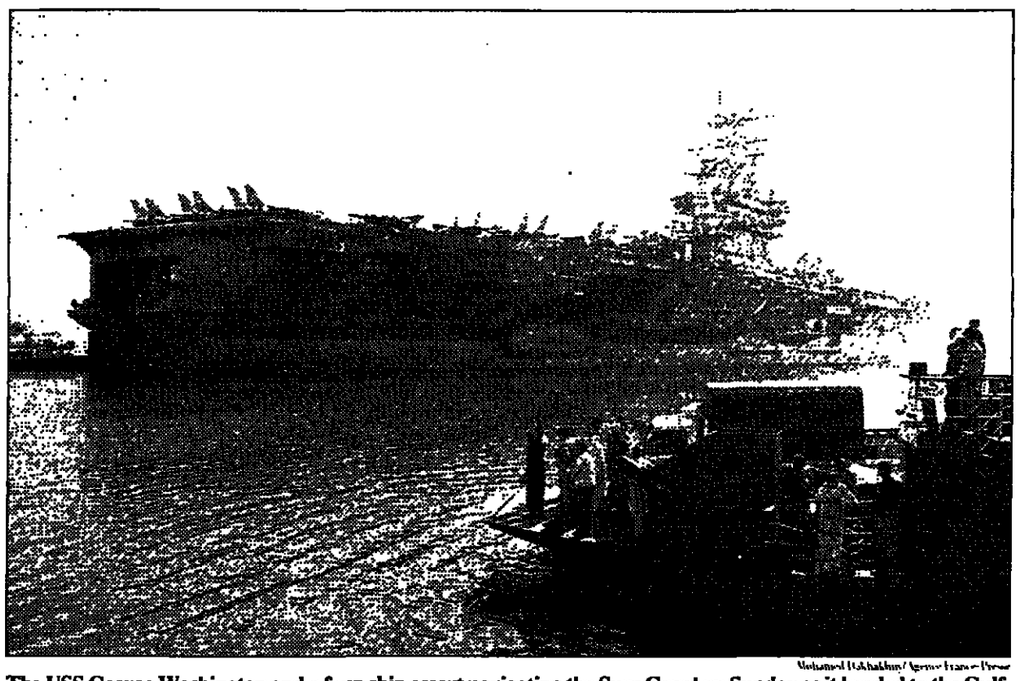
UN weapons inspectors pulled out of Baghdad on Friday after Iraq expelled six American monitors.

Mr. Aziz's proposal seemed to mark a significant retreat from the official rhetoric in Baghdad that U.S. monitors would never be allowed to return, but it was unclear whether Saddam Hussein's top international spokesman was signaling a change of policy by Baghdad or simply trying to drive a wedge between the United States and its allies.

Neither Washington nor London would want to see the confrontation end in a way that allowed Iraq to impose changes on the UN monitoring system.

Earlier Sunday, a similar Iraqi overture — calling for a direct dialogue between Baghdad and the Security Council

See IRAQ, Page 12



Mohamed Hakkam/Agence France-Presse

The USS George Washington and a four-ship escort navigating the Suez Canal on Sunday as it headed to the Gulf.

Rival Firms Join Forces To Take On Microsoft

By Elizabeth Corcoran
Washington Post Service

WASHINGTON — Microsoft Corp. is facing an unusual alliance of five powerful companies that are working together on new technologies that could topple the software giant from its perch atop the high-tech world.

The five competitors — International Business Machines Corp., Netscape Communications Corp., Novell Corp., Oracle Corp. and Sun Microsystems Corp. — have been driven together by two forces: a fear of Microsoft's hegemony and a shared vision of a new Internet-based "platform" that would be open to all. To plan strategy, executives of the five companies said they and their colleagues had been meeting, sometimes weekly, to share ideas and technology.

The collaboration has gone on quietly for months but is being discussed more widely now, at a time when Microsoft's business practices are coming under attack from both the Justice Department and Ralph Nader, a longtime consumer advocate. The government last month charged that Microsoft was using the dominance of its Windows software to increase its share of the market for Internet-browsing software. And last week, Mr. Nader led a two-day conference in which competitors and critics railed about Microsoft's business practices.

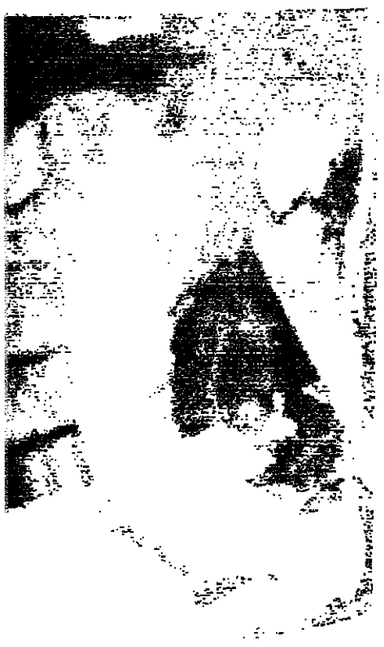
The alliance — spearheaded by the five prominent companies but also drawing support from others in the industry — might once have raised antitrust issues of its own, according to lawyers familiar with the business.

But, said Mark Lemley, a professor at the University of Texas School of Law in Austin, "there's an increasing recognition in antitrust scholarship and law that sometimes cooperative arrangements among competitors are a good thing," particularly if the companies let others use the standards they jointly develop.

The vision shared by Microsoft's challengers is simple: The new cornerstone of the information age should be the Internet, which is essentially a collection of standards owned by no single company. The old stand-alone personal computer, with its Microsoft software and chips by Intel Corp., should gradually give way to newer, cheaper alternatives connected to the Net.

To make this happen, the executives are throwing their efforts into three into three new areas of

See COMPUTE, Page 7



European Companies Gain From the Pain

Cost-Cutting Has Led to Profits, if Not to Jobs

By Tom Buerkle
International Herald Tribune

LONDON — Long regarded as laggards in the global rankings of corporate success, European companies are staging an impressive recovery marked by double-digit earnings growth and a record spate of mergers and acquisitions.

The sharply improved picture indicates that Europe Inc. is beginning to reap the rewards of painful restructuring efforts of recent years. Following the methods adopted by U.S. companies in the 1980s, many European firms have been shedding labor, closing or selling off what they consider nonessential businesses and streamlining management in a drive for greater profitability.

Trans-Atlantic trade talks try to harmonize regulations. Page 13.

"There has been a huge wave of corporate restructuring in Europe," said Talal Shakerchi of Old Mutual Asset Managers in London. Companies "are not focusing on being big, winning market share," he said. "They're focusing on maximizing the bottom line."

The changes have left companies ready to benefit handsomely from the upturn in Europe's economic growth currently under way. Morgan Stanley Dean Witter, the U.S. investment bank, predicts that earnings at European companies will rise 19.5 percent this year, double the 9.7 percent growth rate expected at U.S. companies. Profit margins as a percentage of sales, which a few years ago were barely half of U.S. levels, are expected to surpass 5 percent by 2000 in Europe, compared with about 4 percent last year, while U.S. margins slip closer to 6 percent from 6.8 percent.

But this newly robust corporate health is unlikely to reduce unemployment soon, analysts say. Restructuring is helping companies increase their productive potential without fresh hiring, while the growing wave of mergers could prompt layoffs as companies eliminate overlapping jobs and divisions. Moreover, high tax levels across much of the Continent are encouraging many companies, particularly in Germany, to send more investment and jobs to foreign markets.

"European companies are performing well, but European economies still need substantial structural change," Richard Davidson, chief European economist at Morgan Stanley Dean Witter, said. "There's a need for more labor-market reform, tax reform, social security and pension reform."

MAN AG, the German machinery concern and truckmaker, provides an example of the changes now bearing fruit across Europe. MAN GHH, a sprawling 2 billion Deutsche mark ($1.15 billion) division that provides

See COMPANIES, Page 19

Did UN Come Too Close to Elite Guard?

By Tim Weiner
New York Times Service

WASHINGTON — The showdown over Iraq's secret arsenal began when United Nations inspectors sought to uncover its biological-weapons program, including germ-warfare tests and suspected caches of anthrax, according to UN and U.S. officials.

The officials traced the confrontation, which has led to growing global tension, to an Oct. 27 letter from the chief of the UN weapons inspectors, Richard Butler, to Deputy Prime Minister Tariq Aziz of Iraq.

The letter said the United Nations intended to inspect secret sites run by President Saddam Hussein's elite personal security force, the Special Republican Guard, and suspected caches of data and matériel from Iraq's biological-warfare projects.

Reuters reported Sunday that Secretary of State Madeleine Albright said in Bahrain that common sense suggested that Baghdad had challenged UN monitoring "because those inspections were about to uncover facts or materials the Iraqi regime does not want the world to see."

A senior UN official said the inspectors believed that those searches would help them fully describe the biological-weapons program for the first time, more than six years after the inspections began.

The Iraqi leadership never responded to the letter, sections of which were disclosed Friday by UN officials. But it appears to have struck a nerve.

Two days later, Baghdad announced that it would shoot down U.S. U-2 spy planes supporting the UN inspection team, and vowed to expel the American members of the team from the country, a threat fulfilled Friday. The United Nations, in turn,

See INSPECT, Page 12

A Xenophobic Weed Is Growing in Denmark's Tidy Little Garden

By John Vinocur
International Herald Tribune

COPENHAGEN — In the mind of its people, Denmark has been a preserve of good nature and gentle fortune, scrubbed and apple-cheeked, without arrogance or subservience, a small place so fair, decent, and mild that it stands out in its cosy virtue as God's own little red house with white picket fence.

A couple of ironies or inconsistencies aside, there is a lot of truth here: The statistics show no country in the European Union has less poverty or much fairer distribution of wealth than Denmark, and the trend lines, unlike some of its neighbors, run in the desired, equitable directions. Long-term unemployment is falling, young people find work, the poor as well as the rich get richer, and the country ranks third best in Europe in terms of limiting joblessness.

If Denmark were passing judgment on itself with the mechanistic vocabulary of the European Monetary Union's convergence criteria for economic performance, it would be at the head of the class, alone in Europe talking about a budget surplus for 1998.

That's remarkable. It is also remarkable in the context of so much current well-being and historical tolerance that Denmark is a experiencing a wave of anti-immigrant and anti-refugee feeling so big that it has propelled a far-right nationalist party (saying, with Danish moderation, that it rejects racist or fascist labels) to the point where polls project it will emerge from next year's parliamentary elections as the country's third largest political force.

The alarm and discomfort with the rise of the Danish People's Party, and its leader, Pia Kjaersgaard, made for an anti-racist rally last week large enough for newspapers to call it the biggest demonstration in Denmark of the 1990s. A day later, five Protestant bishops issued a pastoral letter insisting that foreigners here should be seen as an inspiration rather than a threat to Danes, and appealed to them to fight xenophobia by exercising human and Christian values.

Because the anti-foreigner trend appeared in the polls only in September, and because Denmark has no experience in firing warning shots for Europe, there has not been much talk in the Danish political establishment of what the situation portends. But seen from a perspective beyond Denmark's, the circumstances are unusual and counterinstinctive. They leap entirely over the usual connection be-

See DENMARK, Page 11

AGENDA

Italy Leftists Gain, Bolstering Prodi

ROME (AFP) — The leftist mayors of Rome, Naples and Venice, aligned with Prime Minister Romano Prodi's Olive Tree coalition, were re-elected with 56 percent to 73 percent of the vote in elections Sunday, according to exit polls released by RAI television. The size of the estimated majorities surprised political observers.

Earlier article, Page 6

Marchais Dies at 77

Georges Marchais, 77, who led the French Communist Party for more than two decades and marked the French political scene with a blunt style as he tangled with left and right, died in Paris on Sunday. Page 9.

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Agence France-Presse

SORRY — Prime Minister Tony Blair apologizing Sunday for his handling of a controversy over an exemption to advertising rules that benefited a Labour Party donor. He defended the exemption. Page 6.

Globally, the Heat Is On

Look at Australia to Appreciate the Difficulty 160 Nations Face in Fight Against Warming

By Kevin Sullivan and Mary Jordan
Washington Post Service

BLAIR ATHOL, Australia — Cranes with huge buckets scrape away at a wall of black coal at the bottom of Australia's biggest strip mine. Over and over, they fill trucks that look like Gulliver's playthings, with 170-ton payloads and tires that stand three meters tall.

Hundreds of times a day, the trucks grind their way out of the 75-meter (250-foot) deep pit, dumping their coal into machinery that crushes and loads it onto trains, which haul it to ships bound for Japan. There, the coal fires a dozen power plants that provide electricity to millions of homes and offices.

Eleven million tons of coal a year are blasted out of this eight-square-kilometer gash in the hot, red dirt of the Australian outback. This mine is just one of scores that make Australia the world's largest exporter of coal, with $6.5 billion a year in export earnings.

Australia's dependence on coal for money and jobs, and similar bottom-line realities around the globe — from China's sprint to develop its heavy industry, to the hundreds of millions of gasoline-burning cars that roll off factory lines in the United States and Japan, to Brazilian and Indonesian farmers who clear land by torching vast timberlands — are why it will be so difficult to get the world to agree to a meaningful treaty at the United Nations climate conference in Japan.

More than 160 nations will meet in Kyoto next month to try to agree on measures to slow the effects of carbon dioxide and other greenhouse gases, which scientists say are contributing to global warming that could eventually lead to rising sea levels, flooding, droughts and other dangerous changes in world weather.

Getting countries as diverse as industrial Ukraine and the tiny South Pacific island nation of Tuvalu to agree on any issue would be difficult.

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The Road to Prosperity / **Link to the West**

In Ukraine, Learning the Polish Lesson

By Christine Spolar
Washington Post Service

LVOV, Ukraine — The road to prosperity for Yuri Banakh seems predictable enough. Every few weeks, the flour importer-freezer salesman-cable supplier drives a couple of hours west to that European powerhouse, Poland.

Poland?

"I'd like to make something with my life, so I'm always trying to learn. And I think we can learn a lot from the Poles," said Mr. Banakh, 27, as he chugged away in a 12-year-old Lada toward a border that divides not only two countries but also two cultures. "Not only did they find their way in the world, but their government helped people — and looked for a way to make the economy work for them."

Less than a decade after communism was toppled across Eastern Europe, the line between East and West is shifting again.

Once the region's economic basket case, Poland's stable democracy and flourishing free market make it a success story. Now Polish strategies have become lessons and lore for its populous, strategically significant southeastern neighbor.

Ukrainians are flocking to the Polish border in record numbers — plunking down $463 million last year, a fourfold increase since 1994 — looking for deals and desperate to make themselves masters of their economic fate.

A couple of years ago, 60 cars a day pulled up to customs booths outside the village of Rava-Ruska, west of Lvov. Today, motorists like Mr. Banakh pack picnic crates of sausage and tea, sustenance for what can be a four-day wait to cross the border.

No one imagines this trade, steady on both sides, drying up. Visa requirements recently were dropped. One new border crossing opened this month; two more are expected within the year.

"When Ukrainians talk about America, it's like they're talking about another galaxy," said Yuri Yekhanurov, chairman of a state committee to develop Ukrainian entrepreneurs. "But when they talk about Poland, they see a neighbor and someone who, not so long ago, was not so different from them. They're looking to see how Poland made it."

Ukraine's relations with Poland have never been so important. As the West considers expanding the North Atlantic Treaty Organization to Poland, Hungary and the Czech Republic, this former Soviet republic — whose population, at 52 million, rivals the combined total of the three NATO aspirants — rises up as a vast new frontier.

If a democratic and healthy Poland is a security asset to today's Europe, a free but economically unsteady Ukraine poses a security question. Poland's ability and willingness to cooperate — by taking up a regional leadership role even as it struggles to deepen its own reforms — is a key component in ganging Ukraine's potential.

Poland's turn toward the free market is now legend. Two years after a radical economic reform program was put in place in 1990, the economy began to grow. Today, its gross domestic product is increasing at an annual rate of more than 6 percent.

Ukraine's steps since the breakup of the Soviet Union in 1991 have been far more unsteady. The latest report by the European Bank for Reconstruction and Development shows free-market reform at a standstill. Ukraine's economic growth rate last year was double-digit — but in the negative direction. A new study by Western economists found evidence of what might be a quiet turnaround — tiny jumps in consumer spending in a country where the average monthly salary hovers around $80 — that lends some hope.

But a key burden on Ukraine's moribund economy has been the scarcity of private business, cause for alarm in any market economy and particularly in those emerging from decades of socialism.

In Western countries, as much as 70 percent of the population typically is employed by small- and medium-size businesses. Eight years after independence, 45 percent of Poland's work force is in small business. But Ukraine, which shrugged off communism two years later than Poland, has 10 percent of its working population in small business, according to European bank data.



Christine Spolar/The Washington Post

'I think we can learn a lot from the Poles,' said Yuri Banakh on one of his frequent trips to Poland. As Polish economic strategies have become lore, Ukrainians are flocking to the Polish border looking for deals.

Ukraine long has been a target for advice from Polish economists, most notably the former Finance Minister Leszek Balcerowicz, Warsaw's architect of free-market reform. Now Ukraine's lagging business class has been targeted for a trilateral project involving the United States, Ukraine and Poland.

Top Polish and Ukrainian officials have been promoting mutual understanding and reconciliation. In the last year, the U.S. vice president, Al Gore, and President Leonid Kuchma of Ukraine have been working to bolster reform.

U.S. officials who have fretted over lagging progress are keen to promote the cross-fertilization of ideas to Ukraine, the third-largest recipient of U.S. foreign aid. The U.S. Agency for International Development has begun shuttling experts between Kiev and Warsaw to build workaday rapport.

Ukrainian businessmen who move between the two countries often complain that much of their time is spent trying to work around this country's stranglehold of state regulations and shakedowns by Ukrainian customs agents.

A SHOP owner, Volodya Chmelyk, works 12 hours a days, hawking Polish-made ceiling and insulation supplies from a storefront in Lvov. His business is booming, he said, but he could do much more if the government would just get out of his way.

"Why don't they give us the rights to work instead of meddling in our affairs?" asked Mr. Chmelyk, 35. "My contact in Poland has it so much easier. There, you can take out loans, and the money goes directly to the people. There, the Poles have less licensing. Here, every license costs me another $100 to $300. In Poland, you don't have any of that."

Registering a business in Ukraine can take more than a month and cost as much as $1,000 in multiple fees. Dozens of state and local agencies, imbued with vague and conflicting powers, can inspect, fine and close down businesses. Many companies, according to a state review, are forced to pay more than 20 different types of taxes and keep five different forms of accounting ready for random inspection. Frequent inspections — and the near certainty of being found to have not paid some tax — encourage cheating.

THOSE operating outside the parameters of licensed business — creating essentially a shadow economy — are estimated to amount to at least 40 percent of gross domestic product.

Perhaps because of this, Mr. Banakh will not describe all the businesses he now runs. He estimates he has about 20 small businesses in all, several that he describes vaguely as "investment companies."

To many observers, western Ukraine — and Lvov in particular — is the hope for this country's wheezing economy. Lvov, a city of 835,000 people whose streets reflect a history forever complicated by territorial tumult, has been a survivor.

A drive around Lvov uncovers worn but still graceful Hapsburg architecture, the legacy of more than a century of Austrian influence. A detour ends at a monument to the 19th-century poet Adam Mickiewicz, evoking memories of Polish rule after World War I. The highway westward dwindles into a lane bounded by fields of potatoes and beets, reminders of Ukraine's status as the Soviet Union's breadbasket.

But Lvov's most promising link to the West is perhaps the most frustrating. Rail travel between Warsaw and Lvov — a trip of about 640 kilometers (400 miles) — can take as long as 11 hours because of a design difference between Soviet- and European-made rail lines.

Tracks in Poland — like all those in Western Europe — are narrower than those in Ukraine. Train cars passing from one country to the other must be lifted off the tracks and readjusted, which can add between two and six hours to any cross-border trip. Lvov's political leaders are seeking European loans to relay 55 kilometers of track, from the border into the city center. Their goal, they say, is for crossings between Poland and Ukraine to be as easy as crossing from Germany to France — and as profitable.

"In Poland, the revolution is already over. In Ukraine, it's still going," said Andny Porlyshyn, a Lvov city councilor and historian. "It's very important for us to work with Poland because we can learn, and they can spread the word about us: 'You can work with them. You can deal with them. They are reasonable people.' "

New Rich Puzzle Out How to Give It Away

Young Millionaires Take Slowly to Charity

By Judith Havemann
Washington Post Service

WASHINGTON — Paul Brainerd and his friends do not have much experience being rich. They made their millions during the high-tech boom of the past two decades, and while they have proved to be wizards at making money, they are still novices at a skill society expects of its wealthy: learning how to give it away.

So every other week, they gather in conference rooms around Seattle and talk about where and how they ought to donate their money. Mr. Brainerd's club, composed mostly of Microsoft Corp. millionaires, operates like a small venture capital company, with each member contributing $5,000 and deciding what causes will get their cash.

"They have youth and entrepreneurial enthusiasm," Mr. Brainerd says. "They say, 'Let's work smart here.' "

The roaring economy and soaring stock market have created a new generation of fabulously wealthy young Americans, potential driving forces behind a new philanthropy as far-reaching as that of the Carnegies and Rockefellers at the turn of the last century.

So far, what the new rich have given away has been fairly limited. Aside from the celebrated international gifts of CNN's Ted Turner and the financier George Soros, most of America's 4 million millionaires — and most notably the 170 billionaires among them — have been slow to make significant gifts, and slower still to use their wealth to try to reshape society, according to scholars who study philanthropy.

The run-up in the stock market alone has increased the nation's wealth by about $1.4 trillion in the last year, with roughly half of it going to families with annual incomes of $200,000 or more.

Yet their rate of giving has not nearly kept pace with their increased capacity to do so. These families, according to a study by Gerald Auten, a Treasury Department analyst, are not donating the same proportion of their wealth to charity as did equally wealthy people in 1979.

But fund-raisers across the country say there may be a reason for the seeming parsimony. For one, the wealth of most of these newly minted millionaires is on paper — in the form of stock holdings and options — rather than in the seemingly more tangible steel mills and oil wells of turn-of-the century philanthropists. And they say that money traditionally has to age before people feel secure enough to give it away.

As that happens, fund-raisers say, the country could undergo a philanthropic boom unlike anything in decades.

"The buzz in the development community is that we are on the verge of a tidal wave," said Jan Masaoka, executive director of the Support Center for Nonprofit Management in San Francisco, the biggest nonprofit consulting firm in the country. "It is going to be a big status symbol for people to start their own private foundations, and as soon as that happens there is going to be a flood. But so far we are mostly waiting."

Professional fund-raisers are only beginning to work at soliciting the new rich. They are intensifying research efforts to find out who has money to give, combing court records for big land purchases, Security and Exchange Commission records for big stock holdings, and newspaper and other files for any glimmer of charitable inclination.

They are also digging into their own donor files to see who might possibly know hot prospects, and then inviting them and their friends to cocktail receptions for a charity pitch.

"I don't want to mislead you," said James Purcell, vice president for university relations at the private Santa Clara University in California's Silicon Valley. "We are not anywhere close to significant penetration of that market. Nobody is, that I know of."

Even so, a few trends are beginning to emerge.

A substantial number appear to be wary about being publicly identified as wealthy, fearing they will be badgered for money. As executives who have built careers on attention to detail, they worry about being bamboozled by glib appeals.

In other words, many nonprofit experts say, the new philanthropists often run their charities the way they ran their successful businesses — by setting precise goals, targeting their resources and being eager for results.

It was only after Paul Brainerd had been asked out to lunch by another philanthropy-minded young millionaire

'We're trying to nurture a new generation of philanthropists.'

for the fifth or sixth time that he decided he needed to create a "nice safe environment among peers" for the young wealthy to get involved in charity.

Mr. Brainerd, the inventor of PageMaker software that helped made desktop publishing possible, sold his company in 1994 for about $130 million and poured a third of it into the Brainerd Foundation, which seeks to protect the environment of the Pacific Northwest.

Mr. Brainerd, 50, also founded Social Venture Partners in June, at which the group's members voted to invest in two causes: public education and children.

The members have conducted focus groups with leading experts in the two fields and are now soliciting letters of inquiry through a Web site. They plan to start giving money away in April.

"We're trying to nurture and bring along a new generation of philanthropists who might not have gotten engaged until later in their lives," Mr. Brainerd said. "We are trying to find a way to structure this that appeals to a new generation."

Oddly enough, many of the new young millionaires who made their money by revolutionizing communications and other technological fields have been surprisingly conventional in some of their early gifts.

While it is impossible to separate the statistics of the junior wealthy from the senior, in this past year alone the big givers tended to expand their traditional generosity to higher education, rather than supporting small grass-roots organizations, according to Ann Kaplan, research director for the American Association of Fund-Raising Counsel.

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TRAVEL UPDATE

Malaysian Hotels Wage Price War

KUALA LUMPUR (AFP) — A fierce price war has broken out among Malaysian hotels to woo foreign travelers as the recent haze resulting from forest fires in Indonesia has led to a considerable fall in tourism.

The northern resorts of Penang and Langkawi experienced mass cancellations beginning in late October, hotel officials said. Some hotels in Malaysia are offering almost 50 percent off their normal rates, throwing in breakfast or additional nights.

Close Call at New Delhi Airport

NEW DELHI (AFP) — A jeep almost collided with a Boeing 737 that was taking off from an airport in the Indian capital, The Times of India reported Sunday. It said airport officials in the jeep were inspecting a runway ahead of the landing of a plane carrying the Indian president, K. R. Narayanan, when it strayed into the jet's path. The two swerved to avoid a collision.

A storm system pushing across the Great Lakes spread snow from Wisconsin and Illinois all the way to western sections of Pennsylvania and New York, and temperatures dropped to record lows on the western Plains. *(AP)*

An outbreak of cholera that began in September in the capital of Mozambique, Maputo, has spread through the south of the country, taking the death toll from the disease to 56, the weekly Domingo reported. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Azerbaijan, Colombia, Zaire.
TUESDAY: Haiti, Latvia, Morocco, Oman.
WEDNESDAY: Belize, Germany, Monaco, Puerto Rico.
THURSDAY: Mexico.
SATURDAY: Lebanon.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

Europe

	Today High	Today Low W	Tomorrow High	Tomorrow Low W
	C/F	C/F		
Algarve	19/66	16/61 c	18/64	13/55 pc
Amsterdam	12/53	5/41 pc	11/52	7/44 s
Ankara	12/53	1/34 sh	4/39	-3/27 r
Athens	12/53	9/48 pc	13/55	7/44 pc
Barcelona	18/64	10/50 pc	17/63	9/48 r
Belgrade	5/41	1/34 sh	4/39	-6/22 an
Berlin	6/43	1/34 pc	5/41	2/35 s
Brussels	12/53	5/41 pc	11/52	7/44 s
Budapest	3/37	-1/31 sh	2/35	-6/22 pc
Copenhagen	7/44	3/37 pc	8/46	5/41 s
Costa Del Sol	21/70	13/55 c	18/66	11/52 pc
Dublin	15/59	14/57 r	15/59	10/50 r
Edinburgh	13/55	11/52 c	13/55	8/46 sh
Florence	8/46	1/34 c	8/46	2/35 pc
Frankfurt	4/39	-1/31 pc	4/39	1/34 s
Geneva	12/53	3/37 s	9/46	3/37 pc
Helsinki	1/34	-3/27 pc	2/35	1/34 an
Istanbul	11/52	6/43 c	8/46	3/37 c
Kiev	3/37	-4/25 an	-3/27	-8/22 an
Las Palmas	24/75	19/66 s	24/75	21/70 pc
Lisbon	18/64	13/55 r	16/61	12/53 pc
London	17/62	10/50 c	15/59	10/50 pc
Madrid	14/57	9/48 sh	16/61	5/41 c
Mallorca	20/68	9/48 pc	17/62	10/50 sh
Milan	9/48	1/34 s	9/48	2/35 s
Moscow	-3/27	-8/18 an	-7/20	-7/20 sf
Munich	3/37	-4/25 c	4/39	-2/29 pc
Nice	15/59	8/43 s	12/53	7/44 pc
Oslo	5/41	-1/31 pc	6/43	3/37 pc
Paris	13/55	5/41 c	12/53	3/37 pc
Prague	3/37	-3/27 c	2/35	-3/27 pc
Reykjavik	6/43	6/43 pc	11/52	8/46 r
Riga	2/35	-3/27 pc	0/32	-2/29 pc
Rome	12/53	3/37 c	11/52	3/37 pc
St. Petersburg	-1/31	-6/22 pc	-2/29	-2/29 c
Stockholm	4/39	1/34 pc	6/43	3/37 pc
Strasbourg	8/46	1/34 s	8/46	3/37 s
Tallinn	2/35	-2/29 pc	2/35	1/34 c
Tbilisi	19/66	7/44 pc	18/64	9/48 c
Vienna	7/44	-1/31 pc	9/48	1/34 pc
Warsaw	3/37	-2/29 an	2/35	-4/25 pc
Zurich	8/46	1/34 s	8/46	3/37 s

Middle East

Abu Dhabi	28/82	18/64 pc	27/80	18/64 pc
Beirut	24/75	19/61 pc	21/70	15/59 pc
Cairo	27/80	13/55 s	28/79	13/55 s
Damascus	22/71	6/46 pc	20/68	7/44 pc
Jerusalem	19/66	9/48 s	19/66	8/46 s
Luxor	31/88	9/48 s	32/89	9/48 s
Riyadh	21/70	15/59 sh	28/79	14/57 pc

Africa

Algiers	21/70	9/48 s	19/66	11/52 pc
Cape Town	14/57	6/43 pc	18/64	10/50 pc
Casablanca	22/71	12/53 s	19/66	13/55 pc
Harare	28/79	11/52 pc	24/75	9/48 sh
Lagos	32/89	23/73 s	31/88	23/73 pc
Nairobi	27/80	13/55 sh	28/82	14/57 c
Tunis	18/64	10/50 sh	19/64	8/46 c

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
Cold air will remain entrenched over the Great Lakes, but temperatures will not be unusually low. High pressure will be building over the Western states, resulting in sunshine and milder weather. Storms will affect the Pacific Northwest and the Southeast.

Europe
Another powerful storm system northwest of Ireland will bring showers and gusty winds to the United Kingdom. The eastern Mediterranean and the Balkans will be chilly and unsettled with periodic rain. Northern Europe and Scandinavia will be partly sunny and seasonably cold.

Asia
A large area of high pressure will build over Asia, resulting in sunshine for China and Japan. Manchuria and Mongolia will remain frigid as very cold air over Siberia spreads southward. Showers will dampen the Philippines as well as the southern half of Indochina.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, l-ice, W-Weather.

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Asia

	Today High	Today Low W	Tomorrow High	Tomorrow Low W
	C/F	C/F	C/F	C/F
Almaty	8/46	-1/31 c	4/39	-3/27 i
Bali	33/91	21/70 pc	33/91	21/70 pc
Bangkok	31/88	19/66 c	29/82	19/66 pc
Beijing	4/39	-4/25 s	7/44	-2/29 s
Bombay	31/88	22/71 pc	31/88	19/66 s
Calcutta	27/80	18/61 s	24/75	17/62 pc
Chiang Mai	27/80	14/57 sh	29/78	15/59 pc
Colombo	30/86	22/71 pc	29/84	22/71 sh
Hanoi	18/64	13/55 c	18/66	14/57 pc
Ho Chi Minh	32/89	22/71 pc	31/88	22/71 pc
Hong Kong	18/64	12/53 pc	17/62	14/57 pc
Islamabad	24/75	4/39 pc	24/75	4/39 s
Jakarta	31/88	23/73 c	29/84	23/73 r
Karachi	30/86	13/55 s	31/88	12/53 s
K. Lumpur	32/89	22/71 sh	31/88	22/71 sh
K. Kinabalu	29/84	23/73 r	29/82	23/71 r
Manila	31/88	22/71 pc	31/88	22/71 pc
New Delhi	27/80	11/52 pc	27/80	8/46 s
Phnom Penh	30/86	21/70 c	29/84	21/70 pc
Phuket	31/88	19/66 s	29/82	19/66 pc
Rangoon	32/89	19/66 s	29/82	18/64 pc
Seoul	3/37	-9/16 s	3/37	-7/20 s
Shanghai	8/46	-1/31 s	10/50	4/39 pc
Singapore	30/86	23/73 pc	29/84	22/71 pc
Taipei	19/66	13/55 sh	18/64	14/57 pc
Tokyo	22/71	11/52 r	13/55	8/46 s
Vientiane	26/77	13/55 c	26/79	15/59 pc

North America

Anchorage	2/35	-4/25 sl	1/34	-8/22 pc
Atlanta	19/66	-1/31 pc	12/53	3/37 pc
Boston	7/44	-2/29 s	5/41	-9/29 pc
Chicago	7/44	-3/27 pc	5/41	-4/25 pc
Dallas	14/57	4/39 s	18/64	7/44 pc
Denver	12/53	-3/27 pc	9/48	-3/27 pc
Detroit	4/39	-3/27 pc	4/39	-4/25 pc
Honolulu	29/79	18/64 pc	29/79	18/64 sh
Houston	14/57	6/43 c	18/64	8/46 r
Los Angeles	29/84	13/55 pc	28/79	10/50 pc
Miami	23/73	16/61 pc	24/75	18/64 pc
Minneapolis	2/35	-7/20 pc	-1/31	-9/16 pc
Montreal	-1/31	-12/11 sf	-1/31	-9/16 pc
Nassau	29/79	19/64 pc	27/80	21/70 pc
New York	8/43	-1/31 pc	8/46	0/32 pc
Orlando	19/66	9/48 s	21/70	11/52 pc
Phoenix	23/73	8/46 s	26/79	11/52 s
San Fran.	17/62	10/50 c	18/64	9/48 pc
Seattle	11/52	7/44 r	12/53	6/46 sh
Toronto	3/37	-6/22 pc	1/34	-7/20 sf
Vancouver	9/48	5/41 r	13/55	6/43 sh
Washington	8/46	0/32 s	11/52	1/34 pc

Latin America

Buenos Aires	19/66	8/46 pc	20/68	10/50 pc
Caracas	28/82	19/66 pc	28/82	20/68 c
Lima	23/73	17/62 pc	23/73	16/64 pc
Mexico City	18/64	7/44 c	18/66	9/48 c
Rio de Janeiro	28/82	22/71 pc	27/80	22/71 pc
Santiago	29/79	11/52 s	22/71	6/43 pc

Oceania

Auckland	21/70	15/59 pc	18/64	9/48 pc
Sydney	21/70	13/55 pc	17/62	13/55 r

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THE AMERICAS

Democrats Complain That Clinton Isn't Listening

By John M. Broder and Lizette Alvarez
New York Times Service

WASHINGTON — The complaints about the White House from Democrats on Capitol Hill last week sounded like voices from a pop psychology book about a communications breakdown in a failing marriage.

"The White House didn't have a clue as to what was motivating members," said Representative Nancy Pelosi, Democrat of California. "They were pushing the wrong buttons."

Representative Sander Levin, Democrat of Michigan, said: "They did not seem to understand that these are issues that people care about and that our constituents care about."

Ms. Pelosi, Mr. Levin and more than 160 of their fellow Democrats in the House dealt President Bill Clinton an embarrassing blow on trade legislation last week, forcing him to withdraw a bill granting him enhanced trade-negotiation power.

Now the president is looking for a way to repair the breach. He said he would rewrite the trade legislation to address Democratic concerns before resubmitting it to Congress early next year. And he assigned a senior White House official with deep roots in party politics to try to re-establish a relationship that has been seriously damaged.

On one level, the rift was the result of a long-standing policy dispute between the president and his party over the benefits of free trade.

But on a deeper level, the defeat illustrated a profound, and surprising, failure of a suddenly tone-deaf president to hear what members of Congress are saying.

Mr. Clinton and his advisers told balky Democrats that defeat of the trade bill would irreparably harm the president's international stature. But, to the dismay of the administration, members of Congress replied that they were driven by lesser matters — the parochial concerns of their constituents.

Among the 80 percent of the House's 205 Democrats who bolted from the president on the trade issue, many cited constituent concerns about job losses from free trade and fear that expanded trade means exploitation of workers and the environment in developing countries.

In interviews with administration officials and members of Congress who engaged in the debate over the bill, one clear theme emerged: The two sides were not talking to each other, but past each other.

Years of slights, fears of broken promises and utterly incompatible political goals combined to produce a devastating defeat for the president and a loud cry from the heart of the Democratic party he abandoned when he moved to the center to co-opt the Republicans who controlled Congress.

Erskine Bowles, White House chief of staff, admitted Friday that the White House had not consulted enough with Democratic members of Congress or listened to public concerns about the rapid expansion of trade around the globe.

He said the administration would do its homework before making another effort to pass the so called fast-track bill.

The groundwork toward reconciliation has begun. John Podesta, the White House deputy chief of staff and a veteran of nearly 30 years of Democratic politics, has been assigned to mend relations with House Democrats.

"We're all reaching out," he said of the senior White House staff. "We're having some meetings with the congressional leadership next week to discuss the issues we'll be working together on. But right now we're waiting for the scabs to grow over a little bit."

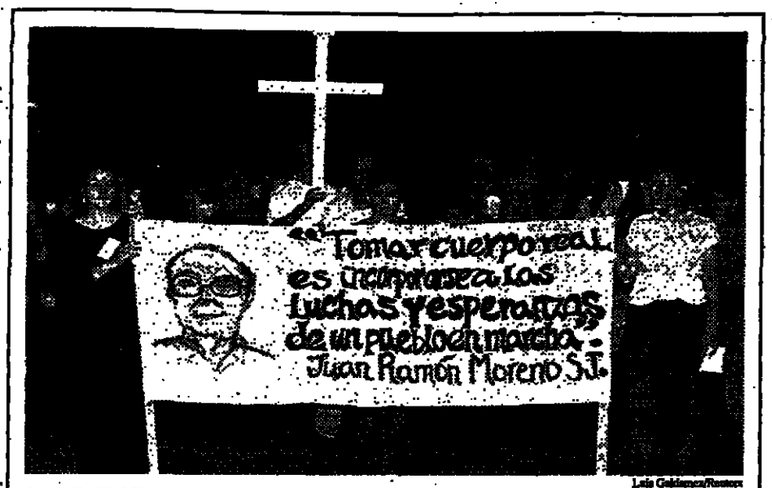
A majority of House Democrats are still stinging from the bitter battle over trade. They complain that Mr. Clinton and his advisers paid little heed to their concerns over the substance of the measure or the importance of listening to their constituents' worries.

"They missed the point," said Ms. Pelosi, who opposed the legislation because of environmental and labor concerns.

Evidence of that could be heard in the suprisingly impolitic comments of a high-ranking member of the administration, a politician with years of experience in bare-knuckle municipal politics.

"These guys didn't see any downside from wounding a president," this official said. "They don't care about anybody but themselves.

"Yeah, some were affected by the argument about the president's prestige, but most of them said, 'All politics is local so I'm going to cover my behind.' They just weren't listening."



Luis Galdamez/Reuters

SALVADORANS REMEMBER — Roman Catholics marching in San Salvador to mark the killing of six Jesuit priests by government troops in 1989.

New York Votes for Languages

State Board to Require 3 Years of High School Study

By Richard Perez-Pena
New York Times Service

ALBANY, New York — Stunning even some of its own members, the New York State Board of Regents has voted to require most high school students to pass three years of a foreign language to earn a diploma.

The language requirement was adopted on a 10-4 vote as part of a plan to toughen high school graduation standards. But while most elements of the plan, such as more stringent mathematics and science requirements, were proposed and discussed at length some months ago, the language requirement — now one year, rather than three — had not come up before.

Its inclusion in the new academic standards made for a rare unscripted moment for a board that normally deliberates at length over proposals and follows the lead of Education Commissioner Richard Mills and the chancellor of the Board of Regents, Carl Hayden. Both opposed the language measure.

Mr. Mills said he agreed with the goal of requiring more language study but was not sure schools could accommodate it at the same time they were being made to meet higher standards overall.

"I want to make it a reach that is not beyond the grasp of students in this state," he said.

All the new academic requirements will begin to take effect in 2001, when this year's fifth-graders reach high school.

Rudy Crew, the chancellor of New York City schools, voiced even stronger concerns, saying the requirement would force the Board of Education to hire 1,000 additional foreign-language teachers when teachers were already in short supply.

"The tripling of our foreign-language requirement would transform what is now a concern into an intractable problem," he said. Mr. Crew added that he also worried the new rules would "hinder the progress" of students at some of the city's most troubled high schools.

In approving the language requirement, New York joins only five other states that require three years of foreign-language instruction: Louisiana, Indiana, Virginia, South Carolina and Texas. But in at least two of the states, the language requirements apply to advanced diplomas.

The new overall standards will require that all students earn a Regents diploma to graduate — something that just one-third of graduates do now — beginning with those who enter high school in 2001. That will mean taking Regents examinations, which in the past have generally been the concern only of those going on to higher education, and taking the more rigorous academic courses aimed at enabling them to pass those tests.

AMERICAN TOPICS

Small Town's Big Election Day, But It Slipped Everyone's Mind

Small-town officials sometimes forget to pay a bill or return a call. But in Baconton, Georgia, population 880, they forgot to hold an election. Embarrassed officials are now trying to explain.

The case came to light only after a former mayor, J.B. Tyre, who no longer lives in the area, called a friend to ask who had won the Nov. 4 balloting. "I guess sometimes in these little itty-bitty towns things get dropped between the cracks," said the city attorney, Tommy Coleman. He said the three City Council members up for election probably had forgotten that their terms were ending and failed to tell a new city clerk to schedule a vote.

It has been four years since the town's 385 registered voters last cast ballots in local elections. In Georgia, a slate of candidates can be confirmed without an election if they are unopposed. That has often happened in Baconton.

Alton Griffin, for example, decided last year to run for mayor when he learned there were no other candidates. "I paid my $7 qualifying fee and was sworn in as mayor," he said. He later resigned because of ill health.

Baconton has now scheduled a special election for March 17.

Short Takes

Yale University has decided to ban sex between students and teachers, toughening a policy that previously only discouraged such relations. The new policy follows the recommendation of a 10-member committee appointed after a student complained that she had been sexually harassed by an assistant professor. The committee concluded that a sexual relationship between a student and a teacher "jeopardizes the integrity of the educational process by creating a conflict of interest and may lead to an inhospitable learning environment for other students." The new policy, which does not specify a punishment for violating the ban, will take effect next semester.

Discreetly tucked away behind tinted windows, a smokers' lounge in a Georgia mall is often filled with shoppers who want a quick smoke without having to go into the chilly air outside. The rest of the mall, like more than 80 percent of shopping malls nationwide, is smoke-free. But this lounge, in a mall in Alpharetta, Georgia, has the distinction of being sponsored by the tobacco giant R.J. Reynolds. That has angered some people. "It's ridiculous," one shopper, Claudia Mitchell, said. "They should have to go outside and smoke." Smokers, however, appear to like the lounge, which offers coffee for 25 cents and a special ventilation system to keep air reasonably fresh. Reynolds has opened a second lounge, in a mall in Chattanooga, Tennessee.

Buck Kamphausen has bought the ultimate piece of Hollywood memorabilia — a cemetery with the remains of such silver-screen legends as Rudolph Valentino, Cecil B. DeMille and Douglas Fairbanks Sr. Mr. Kamphausen, who owns a string of cemeteries and mortuaries, paid $275,000 in a bankruptcy auction for the Hollywood Memorial Park Cemetery, behind Paramount Studios. "It's exciting to be involved in a piece of history," he said. Had no buyer emerged, the 100-year-old cemetery would have been closed. Mr. Kamphausen plans to spend about $1 million on repairs, then will look for ways to make money — probably relying on the tourist draw of the stars he now owns.

Brian Knowlton

Away From Politics

• **The government improperly terminated disability benefits** for many poor children, misinformed parents of their legal rights and actively discouraged some parents from appealing the decisions, Social Security officials contend. *(NYT)*

• **Matt Rodriguez, the Chicago police superintendent,** announced his resignation just hours after it was disclosed that he had a close friendship with a convicted felon. *(NYT)*

• **Jack Kevorkian's argument with the Catholic Church** over assisted suicide has stepped up after his lawyer said that Dr. Kevorkian had helped an elderly woman die last week in a church in the Detroit archdiocese. *(NYT)*

• **Police shot a college student** to death after he threatened them with a gun in Syosset, New York, only to learn later that he was suicidal over a $6,000 gambling debt and that the gun was a fake. *(AP)*

POLITICAL NOTES

Wanted for 2000: $22 Million

WASHINGTON — Stan Huckaby says he knows what it will take to be president. The answer: just shy of $22 million, by Dec. 31, 1999.

Mr. Huckaby is an accountant who has virtually cornered the market on doing Federal Election Commission reports for Republican presidential candidates. He devised the figure — widely accepted by those who wanted the job in 1996 — that they would need to raise almost $20 million by the start of that election year.

For 2000, he reckons that the total that can be legally raised by candidates during the primary season is $45.7 million. Of that $45.7 million, he estimates, candidates can get about $13.6 million in matching funds. That leaves about $32 million to be raised. Looking at the primary calendar, Mr. Huckaby calculates that most of that fund-raising needs to be done by the start of the election year. To be precise: $21,539,322 of it. *(WP)*

Democrats and Big Labor?

WASHINGTON — Are the Democrats once again the party of Big Labor?

The unions' formidable efforts to block the "fast-track" trade bill last week showed that organized labor has more influence than at any time since 1968, when it nearly elected a president. That caused a range of reactions. On one side are angry centrists who thought they had finally made the party salable to 'New Democrat' voters. On the other are jubilant Republicans, who are betting that the label "controlled by the labor bosses" will help in the 1998 elections. *(WP)*

Quote/Unquote

Richard Gephardt, Democrat of Missouri, the minority leader, after the 105th Congress came to an anticlimactic adjournment last week: "Republicans wasted valuable time kowtowing to the right-wing ideologues in Congress who want to force hundreds of thousands of immigrants out of the country, give handouts for wealthy families to send their kids to private schools and politicize how we count our citizens in a census. This session has been largely a waste of time." *(WP)*

Report Buttresses Drop in U.S. Crime

By Fox Butterfield
New York Times Service

NEW YORK — The rate at which Americans were victimized by crime fell last year to the lowest level since the government began keeping data on the issue in 1973, according to a new Justice Department report.

The report found that the nation's rate of violent crime dropped 10 percent in 1996, while the rate of property crime declined 8 percent.

"I'm flabbergasted," said Jeffrey Fagan, director of the Center for Violence Research and Prevention at Columbia University. "That's a very dramatic drop."

The report was based on an annual survey of 94,000 Americans conducted by the Census Bureau. The report measures the number of people who were victims of crimes. Known as the National Crime Victimization Survey, it is separate from the better-known annual report released by the Federal Bureau of Investigation, which records only those crimes reported to police agencies.

Mr. Fagan said that because the two sets of reports had both shown steady and sizable declines in crime over the past few years, "we can now have more confidence that we are in the midst of a trend, not simply a short-term or random fluctuation."

Several crime rates fell especially sharply in 1996, according to the victims' reports, including rape, down 42.9 percent over the previous year; motor vehicle theft, down 20.1 percent, and personal theft — such as pickpocketing and purse snatching — 21.1 percent.

But James Allen Fox, dean of the college of criminal justice at Northeastern University, cautioned that the figures on a decrease in rape should be treated cautiously because the actual number of rapes reported in the sample, even though it included 94,000 people, was very small.

Mr. Fox also said that declines in some of the categories of less serious crimes, which account for the largest number of all crimes, were disproportionately responsible for bringing down the overall rate. Simple assaults, for example, which account for the largest category of violent crime but which often are not reported to the police, fell 11 percent, while thefts of less than $50, which make up the largest category of property crime, fell 13.4 percent.

"It's good news that crime is down, but the numbers are not necessarily as good as you think," Mr. Fox said.

The victimization survey made public Saturday did not include homicide. But the FBI reported this fall that the homicide rate fell 9 percent last year, to the lowest level since 1969.

The report also offered no analysis of the crime rate, which has been decreasing since 1992.

Mr. Fagan acknowledged that "nobody really knows why people stop committing crime, and criminologists are not very good at understanding why crime is going down."

Among the commonly cited explanations are: improved police tactics, longer prison sentences, tougher gun control laws and a shift in attitudes by young people in inner cities.

Lawrence Sherman, chairman of the criminology department at the University of Maryland, suggested that another reason may be that many younger people who might once have become burglars and pickpockets moved into more lucrative robbery and drug dealing with the advent of the crack cocaine epidemic in the mid-1980s.

The report also showed:

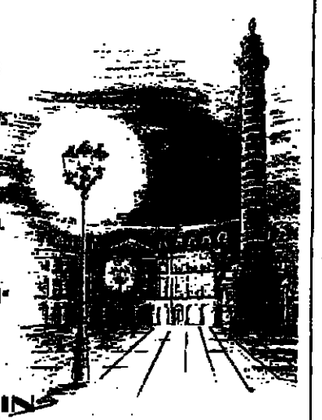
• That poor people were much more likely to be victims of a violent crime than affluent ones.

• That individuals who had never been married, or were separated or divorced, were more often the victims of violent crime than those who were married.

• That black people were victimized three times as often as white people when it came to robbery, and twice as often for aggravated assault.

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Top 4 Generals Stay as Burma Revamps Rule

Compiled by Our Staff From Dispatches

RANGOON — Burma's military leaders made a surprise move over the weekend by creating a new ruling body with fresh faces, but diplomats and Burmese opposition leaders said it was too early to tell if the announcement would lead to major policy changes.

Burma's four top generals announced Saturday that they had dissolved the State Law and Order Restoration Council, or SLORC, set up eight years ago, and replaced it with the State Peace and Development Council.

"We hope there is a change of heart and thinking also, but it is too early to make a judgment," said U Tin Oo, deputy chairman of the National League for Democracy, the opposition party of which the Nobel laureate Daw Aung San Suu Kyi is also a top official.

The chairman of the former ruling council, General Than Shwe; the deputy chairman, General Maung Aye; the first secretary, General Khin Nyunt, and the second secretary, General Tin Oo, were retained.

Otherwise, the new council is made up of younger military officers.

The other members of the former council, all of whom were said to be over 60, were appointed to a largely ceremonial advisory board.

Several analysts in Burma said the government reorganization did not represent a move toward democracy or a softening of its stance against the National League for Democracy, or NLD.

A Western diplomat said that most of the new leaders were fresh faces whose backgrounds were unknown.

"It is very difficult to know what camps they belong to or how are they going to react when talking about improving dialogue with the NLD," the diplomat said.

Announcing the changes on Saturday, state-run media said they were intended to foster "the emergence of disciplined democracy in the country and to build up a peaceful developed nation."

Some diplomats said the changes might be related to economic problems rather than Western pressure on Rangoon to improve its human rights policies. Inflation in Burma has been reported to be at about 40 percent this year, although the government has put the figure at about 25 percent.

Another diplomat suggested that rampant corruption had prompted the changes.

"Growing economic problems have forced SLORC to look at themselves hard and say if there are any corrupt people, let's get them out," the diplomat said. *(Reuters, AP)*



Emmanuel Dunand/Agence France-Presse

General Than Shwe, left, and General Maung Aye were among the four leaders retained on the new council.

Foley Arrives in Japan As New U.S. Ambassador

By Kevin Sullivan
Washington Post Service

TOKYO — Thomas Foley, a former speaker of the House of Representatives, has arrived here as the new U.S. ambassador to Japan after the longest vacancy in that job since World War II.

As ambassador, Mr. Foley, 68, succeeds Walter Mondale, a former U.S. vice president, who left Japan in December.

Mr. Foley arrives at a time of relative harmony in U.S.-Japanese relations. While many trade disputes in areas such as aviation continue to strain relations, the two nations recently completed a successful renegotiation of their bilateral security agreement. That pact, pressed by President Bill Clinton and Prime Minister Ryutaro Hashimoto, expands Japan's obligation to help the United States in case of military conflicts in East Asia.

Things are less harmonious within Japan's economy, however. The economic crises that have plagued many Asian nations in recent months have taken their toll on Japan, which saw its stock market sink Friday to its lowest point in more than two years. Japanese banks are burdened with bad debt, and corporate bankruptcies are at record levels.

While Mr. Foley will not have to grapple with those issues, he will be pressing U.S. interests while Tokyo is preoccupied with domestic problems.

Mr. Foley, who has visited Japan many times, has been criticized by some, especially those in the U.S. business community here, as an apologist for Japan. Critics note that Mr. Foley was recently given one of Japan's highest awards, one given to few foreigners, and argue that he is the wrong person to be pushing Japan on prickly trade matters.

But the American Chamber of Commerce in Japan issued a statement recently welcoming Mr. Foley. It said the group was confident that Mr. Foley would display "a strong commitment to support the efforts of American business" in the Japanese market.

Arriving at Narita International Airport, Mr. Foley addressed Japanese reporters Saturday.

"Whatever field we consider — trade, security, research and technology, the sciences, the environment, education or economic development — there is indeed no cooperative bilateral partnership more important than that between the United States and Japan," he said. "Our partnership is the key to a peaceful and prosperous 21st century."

BRIEFLY

Thai King Swears In Cabinet

BANGKOK — Thailand's new 48-member cabinet, led by Prime Minister Chuan Leekpai, was sworn in by King Bhumibol Adulyadej and held its first meeting over the weekend.

King Bhumibol called on the cabinet to concentrate on improving the nation's battered economy, which is reeling from its worst crisis in decades. The cabinet meeting was called Saturday by Mr. Chuan to prepare his inaugural policy statement outlining government plans for rehabilitating the economy.

Mr. Chuan will deliver his speech in Parliament later this week. At a press briefing after the cabinet meeting, he said: "Even though our economic growth will be limited, we will at least focus on restoring confidence that has affected the value of the baht." *(Reuters)*

India Braces for Gandhi Report

NEW DELHI — India's ruling coalition faces a difficult week as groups across the political spectrum brace themselves for the fallout from an inquiry into the assassination of former prime minister Rajiv Gandhi six years ago.

An interim report by a judge who investigated the Gandhi killing is to be presented to Parliament when it opens Wednesday, and political analysts say the findings might escalate into a dangerous game of brinkmanship that could result in a snap mid-term election. Newspaper leaks have suggested that the report will blame some members of Prime Minister Inder Kumar Gujral's 15-party coalition for the security lapses that enabled a woman to kill Mr. Gandhi with a suicide bomb in 1991, when he was an opposition leader. *(Reuters)*

Party Leader Backs Coalition

CHRISTCHURCH, New Zealand — Deputy Prime Minister Winston Peters ended two weeks of political uncertainty Sunday by reaffirming his party's role within the center-right coalition government.

The move was welcomed by the departing prime minister, Jim Bolger, and other ministers, including his successor, Transport Minister Jenny Shipley.

A spokesman for Mr. Bolger said he was "delighted" that Mr. Peters's New Zealand First party would stay in power with his National Party. Mr. Peters said that after 10 days of talks with the National Party — to assess the impact of its Nov. 3 decision to drop Mr. Bolger for Mrs. Shipley — he had won assurances on his party's behalf. *(Reuters)*

For the Record

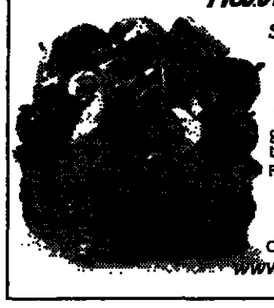
President Jacques Chirac of France arrived in the Malaysian resort island of Langkawi on Sunday for talks with Prime Minister Mahathir bin Mohamad. *(Reuters)*

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INTERNATIONAL

Hungary Gives Overwhelming 'Yes' to NATO

Reuters

BUDAPEST — Hungarians gave an overwhelming "yes" vote in a referendum Sunday on joining NATO, the National Election Center reported.

With almost 75 percent of the vote tallied, the center's Internet Web page showed 2,403,914 votes in favor of joining the Western military alliance, with 411,698 opposed.

The center reported earlier that more than 51 percent of the 8 million electorate had participated in the binding referendum, ensuring that the result would be valid.

"This is a very, very good turnout for a referendum," said Foreign Minister Laszlo Kovacs, one of the chief architects of Hungary's pro-European and pro-NATO strategy. "The 85 percent vote in favor can of course change over time a little bit, but I can hardly believe that it is so good.

"The message of this result to the world is that NATO accession is not the cause of the government but of the people," he said.

In July, NATO invited Hungary, Poland and the Czech Republic to join the alliance in 1999.

Of the three countries, Hungary alone opted to hold a referendum on the issue.

The size of the yes vote was beyond even the government's expectations. Prime Minister Gyula Horn said last week that a 60 percent majority would be a big success.

The vote needed at least a 50 percent turnout of eligible voters to be valid.

The ballot carried one simple question: "Do you agree that Hungary assures its own defense as a member of the North Atlantic Treaty Organization?"

■ Budapest Campaigned Hard

Jane Perlez of The New York Times reported earlier from Budapest:

Two weeks ago, a Gallup Poll predicted that only 45 percent of the electorate would vote Sunday, said Robert Manchin, president of the survey organization in Hungary.

A turnout of less than 50 percent would have been an embarrassment for the administration of President Bill Clinton, which has made the inclusion of Hungary, the Czech Republic and Poland in NATO one of its main foreign policy goals.

The three countries were not required to hold referendums on NATO's invitation to them to join.

Popular support for NATO is overwhelming in Poland but tepid in the Czech Republic.

Even if fewer than 50 percent of the voters had turned out, the Hungarian Parliament would have approved NATO membership.

But Prime Minister Horn, a former Communist, had been warned by Washington that his country could pay a high price if the turnout proved low.

The most critical effect would have been in the U.S. Senate, where hearings are being held on NATO expansion and where a two-thirds majority vote is necessary to approve the new members.

"If American senators who are opposed to NATO expansion see such a low turnout here they will say, 'Hungary is not interested, why should we bother?'" Imre Mecs, chairman of the Parliament defense committee, said in an interview. "I hope we prove the senators wrong."

Expansion requires the approval of the parliaments of all the current 16 NATO members.

In the last month, after some stern visitors from NATO headquarters in Brussels and from Washington, Budapest finally began a serious pro-alliance campaign, politicians said.

Even as the last foreign minister of the Communist government swept away in 1989, Mr. Horn had been derisive of the Warsaw Pact, and since coming to power in 1994 as the head of the Socialist Party, he has been eager for Hungary to join NATO.

A desire for neutrality also runs through Hungarian society, where people argue that neighboring Austria has fared well from its neutral stand since the end of World War II. Many Hungarians have not forgotten that a rallying cry of the 1956 uprising against the Soviets was to leave the Warsaw Pact and become a neutral country.

Mr. Mecs was a freedom fighter in 1956 and was put on death row by the Communists for six years afterward.

"I almost died for this idea of neutrality," he said. "It was the only way to break away from the Soviet empire. But that was in a bipolar world." Now, he said, Hungary should belong to the West.

In Budapest, the effects of a stepped-up campaign by the government appeared to have had some effect.

Some people said they were impressed that all parties in Parliament had declared a formal consensus on joining NATO and were urging people to vote.

Many said they were aware of pro-NATO advertisements — derided by some as "propaganda" — by the government in newspapers.

Others said they had noticed a television comedy series in which the character of an army major was especially created to talk about the benefits of the alliance.



Zoltan Kovacs/The Associated Press

A woman in Budapest letting her son cast her ballot Sunday after she voted on Hungary joining NATO.

Agnelli Falls And Breaks A Thighbone

Reuters

TURIN — Giovanni Agnelli, one of Italy's top industrialists, fell and fractured his thighbone Sunday in an accident at home, a spokesman for his family's Fiat car company said.

Mr. Agnelli, 76, fell in his villa outside Turin, fracturing his left femur, the spokesman said. He was taken to a nearby hospital and will be operated on in the next few days.

The spokesman said Mr. Agnelli, who is Fiat's honorary chairman, was well and receiving visitors in hospital.

Mr. Agnelli suffered leg injuries during World War II, broke his right leg in three places in 1952, fractured his left leg in a skiing accident in 1981 and injured his right femur in another fall in his villa in 1987.

Staff Trouble Hits UN Congo Inquiry

One Aide Quits, Another Wants Out

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — The UN team that arrived in the Democratic Republic of the Congo last week to investigate allegations of massacres by troops loyal to President Laurent Kabila has already run into difficulties.

UN officials said one of the team's three members had resigned for personal reasons and that a second member was considering stepping down.

The team arrived Tuesday in Kinshasa, capital of the former Zaire, but its members have not yet been permitted to make any trips into the field, pending a meeting with a government liaison team.

There have been repeated allegations that thousands or tens of thousands of Hutu refugees and Congolese Hutu were killed by troops under Mr. Kabila's command when he was leader of a rebellion that overthrew President Mobutu Sese Seko in May.

The UN team, sent by Secretary-General Kofi Annan after a group formed by the UN Human Rights Commission was denied entry to the country, includes Atsu-Koffi Amega, a retired Supreme Court judge from Togo; Reed Brody, an American human-rights lawyer, and Andrew Chigovera, deputy attorney general of Zimbabwe.

Officials said Friday that Mr. Brody, whose father is seriously ill, had asked to leave the team for personal reasons. He was already on his way back to New York.

Mr. Chigovera has told officials in Geneva, where the UN Human Rights Center has its headquarters, that he would like to get back to his duties in Zimbabwe. He has not resigned, however, and officials say they hope he will remain in Kinshasa.

The group was first sent in July but was blocked from working by the Kabila government and left the country after about five weeks of being confined to the capital.

In October, Bill Richardson, the U.S. representative at the United Nations, visited Congo and obtained a promise from Mr. Kabila that the team could return and operate freely.

But members of the team were concerned about agreements Mr. Richardson had made with Mr. Kabila, including a promise that his government would be allowed to see their final report before it was submitted to the UN secretary-general.

The United Nations has attached great urgency to the investigation, because as months pass there are reports that Congolese troops are covering up or removing evidence of mass graves.

But Robert Garreton, a Chilean human-rights lawyer who was barred from leading the first team to Congo, said it would not be easy to obliterate evidence. Mr. Garreton said archeologists, anthropologists and forensic experts could determine very accurately from very small pieces of bone or other material what had happened at massacre sites.

Diana's Memorial?

Her Butler Will Help to Decide

The Associated Press

LONDON — The butler and trusted confidant of Diana, Princess of Wales, is to be appointed to the committee that decides what sort of permanent memorial the nation erects in her memory, Prime Minister Tony Blair's office said.

Paul Burrell, 39, a trucker's son from northeast England, worked for the princess for nine years, and she reportedly referred to him as "my rock."

He was the only person outside Diana's family allowed to attend her burial at the Spencers' Althorp estate near Northampton in central England on Sept. 6. Diana died in a Paris car crash on Aug. 31.

A spokesman for Downing Street confirmed that Chancellor of the Exchequer Gordon Brown will this week name Mr. Burrell as one of the 10 members of the government committee to decide on her memorial.

"He was very close to the princess," said the spokesman, speaking anonymously.

Mr. Brown will serve as chairman of the committee, which will consider a range of suggestions for a permanent memorial to Diana, including a garden at her Kensington Palace home and a children's hospital.

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Blair Apologizes on Funding Affair

By Warren Hoge
New York Times Service

LONDON — Using his personal popularity to try to put an end to his government's first crisis in public confidence, Prime Minister Tony Blair went on television Sunday to apologize for the way he had dealt with a controversial campaign funding matter.

At issue was an exemption his government granted Formula One auto racing from a ban on tobacco sponsorship for sports. Subsequently, it was revealed that Bernie Ecclestone, president of the racing organization that benefited from the decision, was a large donor to the Labour Party and a participant at a crucial meeting with the prime minister at 10 Downing Street.

In a television interview from Chequers, the country residence of British prime ministers, Mr. Blair said that the same exemption he had recommended existed for Formula One in countries like Germany, Australia and Canada. He contended that banning cigarette ads for Formula One in Britain would send the sport, which is highly lucrative to Britain, to countries in Asia that place no restriction on such advertising.

He said that an appearance of a conflict of interest had arisen because the matter was not "handled well."

"For that I take full responsibility," he said, "and I apologize for that."

Saying he was "hurt and upset" by allegations of questionable ethics, Mr. Blair, who ran for office on a clean-up government campaign, added, "I would never, ever do something wrong or improper or change a policy because someone supported or donated to the Labour Party."

He noted that his government had reported the $1.7 million donation and a second offer of the same amount from Mr. Ecclestone to the Parliament Committee on Standards in Public Life and, on the panel's advice, was returning the original amount.

"It was hardly the act of people who are concealing things," he said.

Critics have said that he took these steps only after newspapers made embarrassing revelations of the donations and of relationships some of his ministers had with Formula One.

Mr. Blair was trying to put to rest a scandal that the usually adept strategists of the Labour government had allowed to emerge episodically starting early this month, through daily leaks to newspapers and increasingly combative and defensive responses by spokesmen. The appearance took hold that the Labour Party was soliciting money from people who then used their contributions to lobby Mr. Blair for their pet projects.

Mr. Blair's being caught up in the issues of corruption and campaign financing has been an unexpected boon to the opposition Conservative Party, which in recent years has been on the defensive over the same two issues.

Mr. Blair, as part of his clean government campaign, had pledged to bring political fund-raising under restrictions for the first time in Britain. There is no limit on amounts of political donations nor laws on reporting the names of givers. It is illegal, however, for a candidate or party to buy advertising time on radio or television, a restriction that has kept overall spending needs down.

The dispute that Labour finds itself in is partly a product of its own success in transforming itself into a centrist party shorn of leftist ideology that never held attraction for large business and financial interests. The May 1 elections were the first in which Labour was able to attract numbers of large donors and raise money in amounts approaching Conservative Party numbers.

Mr. Blair reiterated on Sunday his plan to regulate campaign financing and make public the names of large donors, but the context has given his new call to action a defensive tone.

Asked if he thought his high standing had been damaged by the controversy, Mr. Blair said, "There has been a desire from the word go to say, 'This can't be as good as it looks.'" He said he realized that there were people asking whether "this person is the someone they believed in. And I'm saying, 'It is.'"



Agence France-Presse

GOODIES FROM FIRST LADIES — Hillary Rodham Clinton, center, and Naina Yeltsin, left, handing out presents on Sunday to children at a rehabilitation center in Yekaterinburg, Russia.

2 More Chubais Aides Fired, a New Setback to Reform

By David Hoffman
Washington Post Service

YEKATERINBURG, Russia — President Boris Yeltsin has fired two more top aides to Deputy Prime Minister Anatoli Chubais over a questionable book contract, but has refused to accept Mr. Chubais's resignation.

Although Mr. Chubais, Russia's leading economic reformer, remains in office, the dismissals are very likely to be a major setback to further liberalization of Russia's economy because they leave him less able to reach his goals. Mr. Chubais survived because Russia's economy is fragile, its capital markets severely weakened by global economic turmoil, analysts said. The Interfax news agency quoted a Kremlin official as saying that Mr. Chubais was not dismissed because of "an extremely critical social and economic situation in Russia."

But the dismissal of two of his top aides on Saturday, coupled with two earlier firings, raises questions about how effective Mr. Chubais will be in the future. "It's very bad," said Alexander Oslon, a pollster who has worked closely with Mr. Chubais. "Even if Chubais stays, it will be a different Chubais. It will be a Chubais without a team, a weaker Chubais. This Chubais will be less capable of achieving his goals."

Mr. Yeltsin dismissed the federal privatization chief, Maxim Boiko, and the head of Russia's bankruptcy commission, Pyotr Mostovoi, both close allies of Mr. Chubais. On Friday, he dumped Alexander Kazakov, a Chubais lieutenant who was deputy Kremlin chief of staff. In August, Alfred Kokh, then privatization boss, also was forced out.

The firings followed the disclosure that Mr. Chubais and several co-authors — including Mr. Boiko, Mr. Mostovoi and Mr. Kazakov — had received payments of $90,000 each for a book on the history of Russia's massive privatization of state assets. Mr. Chubais acknowledged the payment was large and said most of the money was to be donated to a foundation overseen by Yegor Gaidar, a former prime minister and fellow free-market reformer. But the uproar grew more intense because the source of the payments appears to be one of the most influential and wealthy of the Russian tycoons who have been feuding with each other and with Mr. Chubais in recent months.

Mr. Chubais has served almost continuously in Mr. Yeltsin's governments since the new Russian state was born in 1992 out of the Soviet collapse.

Since March, he and Boris Nemtsov, both first deputy prime ministers, have taken the lead on Russian economic and domestic policy and have often been described as running the most reform-minded government since that of Mr. Gaidar in 1992.

Mr. Chubais always has been surrounded by a coterie of extremely loyal aides, and Mr. Yeltsin's latest action all but strips him of his high command. Although he has long been unpopular in the eyes of the public, he remained strong inside government because of his skills as a bureaucratic infighter.

Italians Vote for Mayors, but All Eyes Will Be on Prodi and Berlusconi

The Associated Press

ROME — With nearly 10 million Italians eligible to vote, mayoral elections Sunday in 421 cities, including in Rome and Naples, now held by leftists, gave Prime Minister Roman Prodi's center-left coalition its first widespread test since he was forced to resign briefly last month.

The balloting also was being closely watched as a sounding of sentiment for the conservative opposition led by the media mogul Silvio Berlusconi, a former prime minister. His Freedom Alliance was trounced Nov. 9 in a Senate by-election in Tuscany. Capturing that seat was Antonio Di Pietro. Once courted by conservatives, Mr. Di Pietro, a national hero who as a Milan prosecutor headed the "Clean Hands" corruption inquiries in 1992 that brought down an entire political class, ran on Mr. Prodi's Olive Tree ticket.

The Interior Ministry was expected to announce the first official results of the voting sometime Monday. Runoffs will be held Nov. 30 in races where no candidate takes at least 50 percent.

For Italians, voting for a mayor is still a new experience. Until 1993, citizens voted for parties, whose chieftains then horse-traded to pick mayors.

In Rome, Francesco Rutelli, who is backed by Mr. Prodi, has made transportation the hallmark of his administration as the traffic-choked city tries to get ready for millions of additional visitors for 2000 celebrations. Mr. Rutelli has started construction of a tram system from the outskirts to the center and installed parking meters. Challenging him was a businessman, Pierluigi Borghini, a political newcomer.

The center-left was also backing incumbents in Naples, Venice and Genoa.

Mr. Prodi resigned for a few days after hard-line Communists, who give his coalition a majority in the Chamber of Deputies, refused to back him on pension reform.

BRIEFLY

Germany's Greens Clean Up Look

KASSEL, Germany — The German Green Party ended a congress here Sunday having put aside their radical positions against NATO and the German Army to make themselves a responsible alternative for elections next year.

The party spokeswoman, Gunda Rostel, closed the three-day gathering by saying: "There was a very powerful signal from this party conference, a foreign policy. We said nothing about dissolving NATO, unlike what people had expected."

The Greens toned down their radicalism to position themselves for an alliance with Social Democrats to defeat Chancellor Helmut Kohl in elections next year. *(AFP)*

Bombing Trial Set

BERLIN — The trial of the alleged perpetrators of a bomb attack on a Berlin discotheque that prompted the United States to attack Libya is to begin here Tuesday, more than 11 years after the event.

Three Germans, a Libyan and a Palestinian will be in the dock, but for the prosecution the Libyan government of Moammar Gadhafi is the real culprit.

Prosecutors claim that Tripoli's intelligence service ordered the Libyan Embassy in what was then East Berlin to prepare a strike at U.S. interests in West Berlin, following a naval confrontation between the two sides in March 1986.

At 1:40 A.M. on April 5, 1986, a bomb exploded in the La Belle discotheque, which was frequented by American troops based in the city, killing three people and wounding more than 200. *(AFP)*

Basque Initiative

MADRID — The Roman Catholic Church in Spain has put forward a new proposal aimed at breaking a deadlock in the 29-year conflict with the Basque separatist guerrilla group ETA.

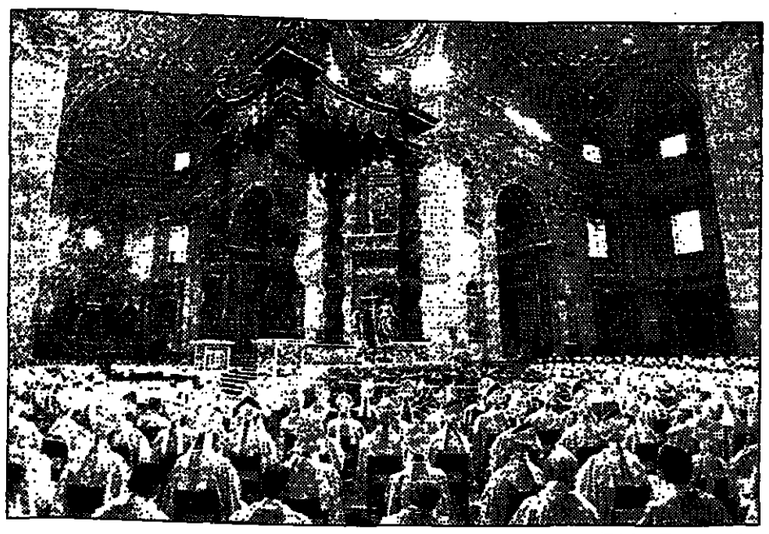
Leaders of the church in the northern Basque and Navarre regions published a new document urging the government to move more than 500 ETA prisoners scattered around the country to prisons in the northern Basque region. *(Reuters)*



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INTERNATIONAL



Silvia Izzo/The Associated Press

Scores of bishops from North and South America listening to the Pope on Sunday.

Pope Asks Bishops in Americas to Renew Zeal

The Associated Press

VATICAN CITY — Eager to bring defectors back to the flock and to win new faithful, Pope John Paul II on Sunday evoked the legacy of Christopher Columbus as he made a special appeal to bishops from the Americas to work with new missionary zeal.

John Paul, his voice still strained from a cold that forced him to cancel a public appearance a few days ago, performed Mass at St. Peter's Basilica to open a monthlong, special meeting, known as a synod, of churchmen from North and South America.

The nearly 300 representatives will be discussing concerns close to the Pope's heart, among them how to reach out to Catholics who have left the church.

Many of those faithful, especially in North America, were turned off by the Pope's refusal to ease the Vatican's prohibition on artificial birth control, abortion and divorce.

Others, particularly in South America, find the vibrancy of evangelical sects more attractive than their Catholic heritage.

Addressing the bishops arrayed before him in their gold vestments and white, two-peaked hats, John Paul noted that it was the first such synod of the Americas in the more than 500 years since Columbus's voyage to the "New World" opened the way for legions of missionaries on both continents.

"The church, in fact, enriching itself with the experience of five centuries of evangelization, intends to prepare itself to face the great challenges of the third millennium," the Pope said.

"The objective is to diffuse ever more the evangelical message" and to help "knock down the walls of separation between man and man, nation and nation," John Paul continued.

"Christians, while loving and honoring their own countries, are men and women 'without borders,' because the church community does not know any boundaries of race, language and culture," he said.

As if to make his point, the polyglot Pope switched effortlessly from his usual Italian to Spanish, English, French and Portuguese during his sermons to use the major languages of the Americas.

In a message delivered after the Mass, John Paul said the church was moving toward the new millennium "with renewed missionary zeal."

Five centuries after Columbus and at the threshold of the new millennium, the Pope said it was very important "to mentally review the way taken by Christianity throughout the whole extent of those lands."

The policies of the early Catholic church in the Americas, including some missionaries' insistence that native Americans renounce their traditional ways, have been a stain on church history in the eyes of many.

John Paul's visit to Jamaica in 1993 was intended as a follow-up to his apology a year earlier for Roman Catholicism's role in supporting slavery and New World colonization.

The synod's work begins Monday. John Paul is expected to listen to much of the debate and review the bishops' conclusions.

CLIMATE: *More Than 160 Nations Face Pressure to Reach a Deal on Measures to Slow the Effects of Carbon Dioxide and Other Gases*

Continued from Page 1

Getting them to agree on expensive, concrete solutions to a problem that is often difficult to see, hear, smell or touch will be a mammoth undertaking.

Each country brings to Kyoto its own economic, environmental and political conditions — differences that so far have made deciding what is fair for all the countries impossible.

Developing countries — China, Brazil and India, for example — are demanding a pass at this summit meeting, saying richer nations that produce most of the world's greenhouse emissions must take the first steps to clean up. The United States and Australia say it is not fair or smart to exclude developing countries.

The European Union has proposed the most extensive cuts — to reduce emissions by 15 percent from their 1990 levels by 2010. The United States and Japan have staked out positions in the middle, calling for a return to 1990 levels or slightly below over the next 15 years.

Nowhere is the economy-versus-environment debate drawn in larger letters than in Australia. Although it is one of the world's most environmentally conscious nations, Australia's dependence on coal exports has placed it on the most conservative end of the spectrum, arguing that it is such a special case that it should be allowed to increase its emissions.

The Australian prime minister, John Howard, has rejected all calls for binding targets for emissions reductions. He has argued that each nation's needs must be considered individually. Mandatory emissions cuts would immediately cost billions of dollars in lost revenue and tens of thousands of jobs, Mr. Howard says.

Eighty percent of Australian exports involve products that contribute to global warming, including coal, oil, gasoline and iron ore. If the world reduces its consumption of emissions-intensive materials, Australia's economy would suffer.

Environmentalists are enraged by Mr. Howard's position, saying that he is simply protecting rich, established industries and ignoring the potential benefits of investing in solar power or other more energy-efficient technologies.

"This country is bitterly divided," said Phillip Adams, a prominent columnist and radio talk-show host in Sydney.

There has been perhaps the least division in Europe, which has adopted the most "green" position of any participant in Kyoto. The EU has proposed including all its member nations together in a "bubble" position for Kyoto, calling for a 15 percent reduction from 1990 levels by 2010.

But some European countries would be allowed to increase their emissions; Portugal would go up 40 percent and Spain 17 percent. The bulk of the cuts would come from Germany and Britain, which would cut 25 percent to 30 percent each.

Germany stands out in the environmental debate. Protecting the environment is popular, and it is supported by all mainstream parties and a strong majority of voters. It has also turned into a money-maker for German companies, which now control about 20 percent of a global export market for environment-friendly technologies worth about $3 billion a year.

Germany may also have the easiest time looking like a leader at Kyoto. In 1990, the selected benchmark year for emissions levels, Germany had just absorbed the dirty Soviet-style factories of East Germany. Germany's carbon dioxide emissions dropped nearly 10 percent from 1990 to 1993.

Britain also sets a similar example. It relied mainly on coal for heat in 1990 and since has switched largely to cleaner natural gas. Its emissions fell 3 percent in the same period.

Russian officials, meanwhile, say that because their industrial production has shrunk significantly since the fall of the Soviet Union, their carbon dioxide emissions are now 30 percent lower than they were in 1990.

Japan comes to the negotiating table with the opposite problem. Worried about its enormous dependence on Middle Eastern oil, in the late 1970s and '80s it became a world leader in energy-efficiency technology. It shifted much of its energy production to nuclear plants, which produce no greenhouse gas. So Japanese leaders say cuts now are more painful.

But environmentalists argue that the Japanese government has taken away industry's incentive to create more innovations in energy-efficiency technology.

As the host of the conference, Japan does not want the meeting to end in a stalemate, which it would see as damaging to its credibility as a world leader.

As Tokyo sends representatives around the globe for last-minute negotiations before the conference opens, Brazil, Latin America's biggest developing nation and caretaker of the Amazon rain forest, raises a different set of problems.

Emissions from Brazil's factories and cars make it the world's 19th-largest emitter of greenhouse gases. But factor in the smoke from rain-forest burning, scientists say, and Brazil jumps to fifth place.

Because Brazil is designated as a developing nation, it probably will not have to agree to any reduction in Kyoto. The majority of countries have agreed that the most practical and fair approach is to have the richest nations, who are to blame for most of the problem, take the first steps.

COMPUTE: *5 Rivals Unite Against Microsoft*

Continued from Page 1

technology — a computer language known as Java, which was developed by Sun for writing software that can be transmitted easily on networks and run on any computing device: a low-cost computer known as an NC, or network computer, being developed by Oracle and other companies, and a programming technique known as Corba for building blocks of software.

In some cases, engineers from different companies are meeting on a weekly basis to hash out technical issues.

"There's a very strong incentive for us to push as hard and as fast as possible toward a world where operating systems are commoditized, chips are commoditized and the Net becomes the platform," said Marc Andreessen, chief technology officer at Netscape. "We all see an opportunity to make a tremendous amount of money as that world unfolds — as opposed to a world where everything is Microsoft and Intel. That's the big issue for all of these companies."

Microsoft's chairman, Bill Gates, said that by working together, his competitors "end up creating a fairly powerful message that we have to be aware of."

The alternative technologies are a few years old. What is unusual is that the five corporations are cooperating so intensely.

"We see IBM playing with folks we've competed with down to the mat," said Patricia Sueltz, vice president of Internet software at IBM. She said the companies had realized that their "lifeblood" was to make sure they developed standards.

The battle between Microsoft and its five adversaries essentially focuses on who should set those standards, and how open they should be.

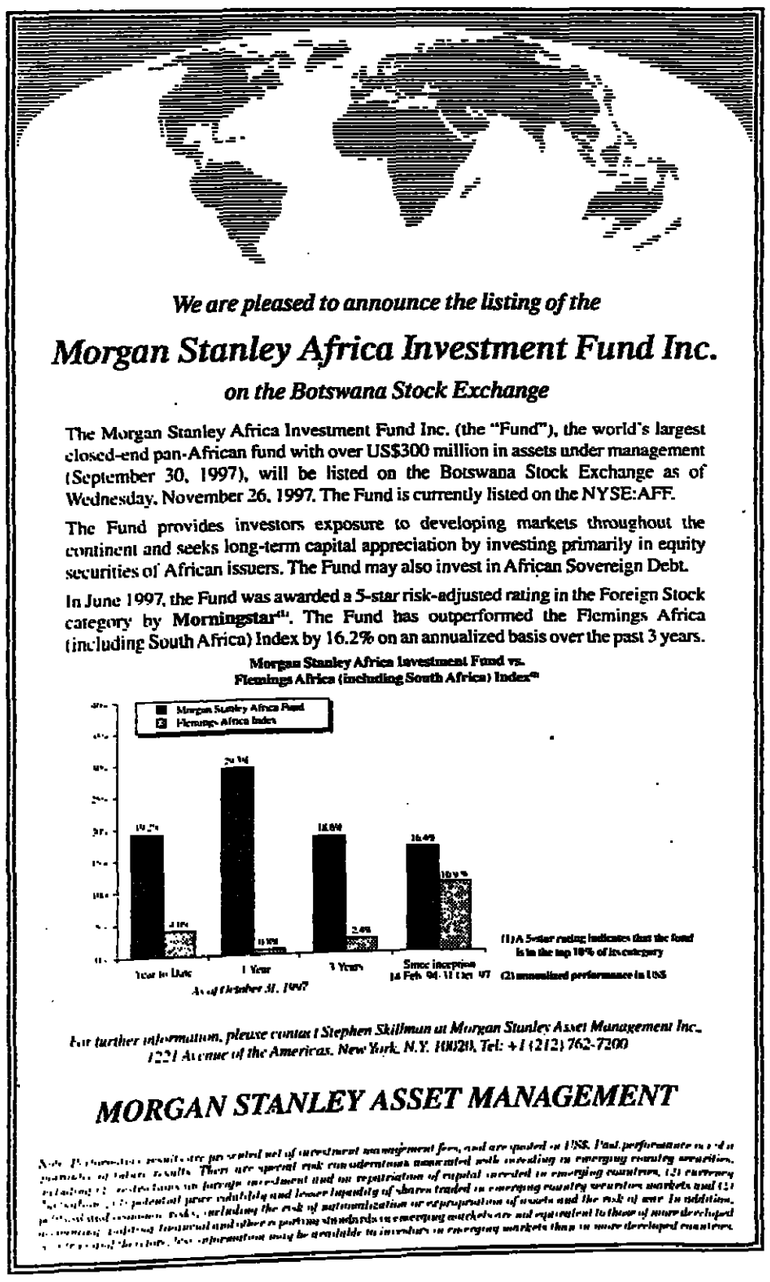
In the current, Microsoft-dominated world of desktop computers, the underlying operating system translates commands into a language that the machine can understand. Companies that want to build applications have to make their programs fit tightly with the operating system.

The alternative vision is of a world where the Internet, with its open standards, can function easily with any type of operating system or hardware.

But there is no guarantee that such an unusual partnership will succeed. Past efforts to build an open platform have failed to capture the market.

The partnership must also contend with Microsoft's plans for the future.

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Morgan Stanley Africa Investment Fund vs. Flemings Africa (including South Africa) Index[2]

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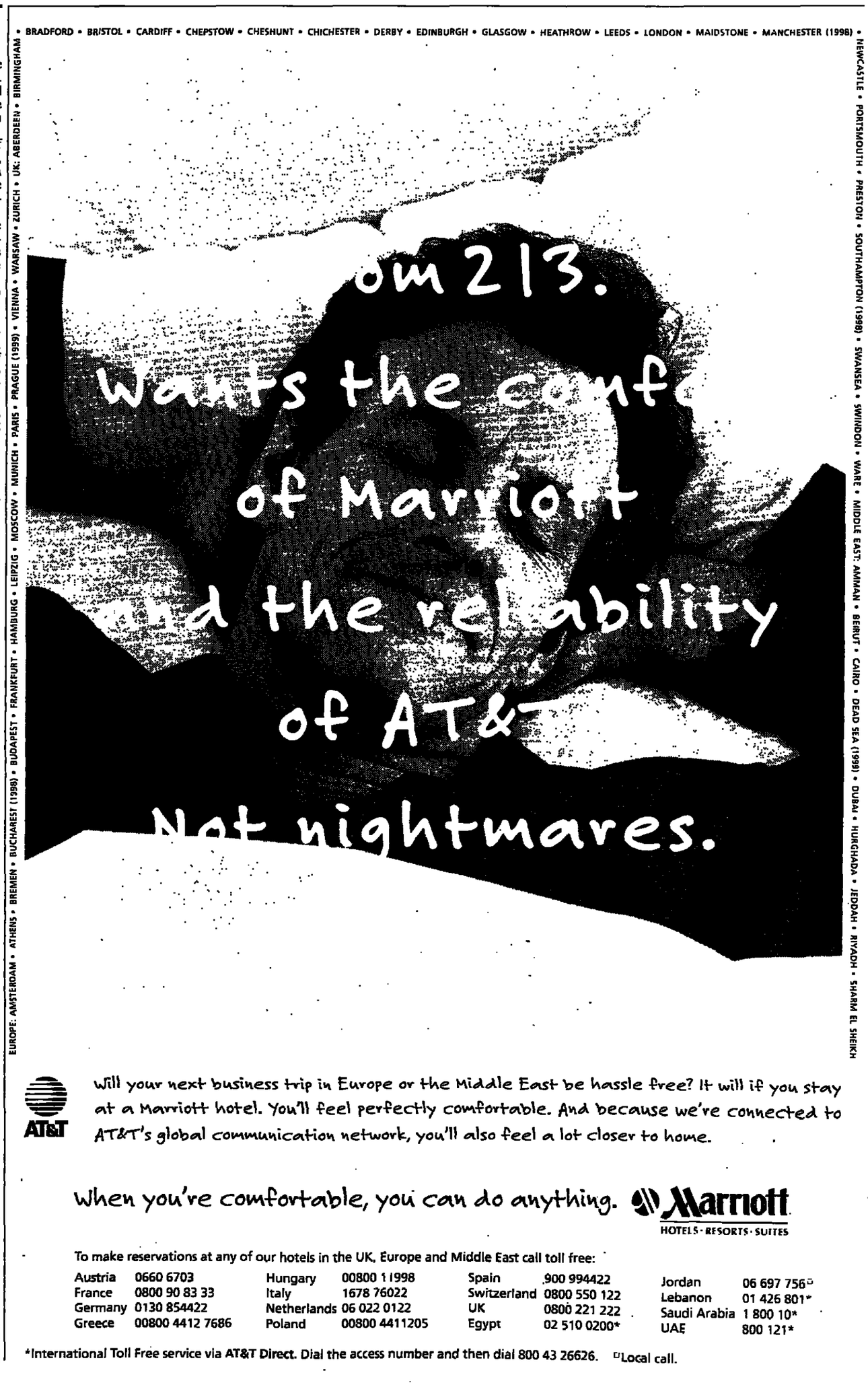
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Georges Marchais, 77, Ex-Leader Of French Communist Party, Dies

Compiled by Our Staff From Dispatches

PARIS — Georges Marchais, 77, who led the French Communist Party for more than two decades and marked the French political scene with a blunt style as he tangled with right and left, died Sunday.

Mr. Marchais, who suffered from heart problems and wore a pacemaker, died at Lariboisiere Hospital, where he had been for a week.

Mr. Marchais retired as first secretary of the Communist Party in January 1994 at a party congress, and was replaced by the more moderate, and modern, Robert Hue. Mr. Marchais had held the post since 1972.

Mr. Marchais' party faithfully followed the ideological line set by Moscow until the fall of communism. The party is now in the midst of a transformation, and there are three Communist ministers in the current leftist coalition government.

Mr. Marchais became a member of the party's political bureau in 1959, and in 1970 became deputy secretary-general. He became secretary-general two years later.

It was under his leadership that the Communist Party had four ministers in government in 1981, when Francois Mitterrand, a Socialist, was elected president. However, the tense union with the Socialists shattered two years later.

Mr. Marchais was a presidential candidate in 1981, and received 15 percent of the vote. But it was under his direction that the party began its electoral decline in the 1980s.

During his two decades at the helm, the party saw its share of the vote fall from 25 percent to just 7 percent as the Soviet communism that was its inspiration was discredited and then swept away.

A hard-liner who approved the Soviet intervention in Afghanistan in 1979, Mr. Marchais hung on as the party's leader into the 1990s before finally retiring. Mr. Hue has since tried to modernize the party and return it to the French mainstream.

Mr. Hue passed a crucial milestone during parliamentary elections in June when the Communists helped drive a center-right government from power and were rewarded with three seats in the cabinet led by Prime Minister Lionel Jospin, a Socialist.

While Italy's Communists abandoned extremism and changed the party's name after the Berlin Wall fell in 1989, Mr. Marchais talked of reform only with the utmost caution and even then long after events had proved him undeniably wrong. "I am a Communist and will remain a Communist until I die," he said.

Mr. Marchais, who fostered close ties with strongmen like Nicolae Ceaucescu of Romania and the Soviet leader Leonid Brezhnev clung to "democratic centralism," a euphemism for muzzling dissenting voices in the party, until as late as August 1992.

He eventually said he was abandoning the concept on a trip to the United States, which had long denied him a visa because of his political beliefs.

Of his earlier political judgments — his endorsement of the Soviet invasion of Czechoslovakia in 1968 or approval of Poland's crackdown on Solidarity in 1981 — all Mr. Marchais would say was that there had been "errors of analysis."

"We believed in certainties that proved to be illusory," he said after the revolutionary autumn of 1989 that swept away communist regimes across Eastern Europe.

Mr. Marchais' hard line meant the party remained on uneasy terms with the "New Left" that emerged from the social unrest of May 1968, after which the party alienated many intellectuals, tipping the balance on the left in favor of the Socialist Party.

Mr. Marchais failed to gain political influence even after Mr. Mitterrand invited Communists to join his cabinet. Instead, he ordered his ministers out of the government after Mr. Mitterrand implemented an austerity program.

It was a testament to his political skill that he survived a massive fall in party membership and growing pressure from reformers, and that voters did not desert the party altogether.

Mr. Marchais was born into a poor mining family in Normandy on June 7, 1920, and left school at 14 to be a mechanic.

During World War II, he worked in an aircraft factory in Germany — an event that was to haunt his political career. Mr. Marchais said he was sent there as a forced laborer, but he never dispelled doubts he went willingly. *(AP, Reuters)*



Agence France-Presse

Mr. Marchais with Leonid Brezhnev in Moscow in 1980.

Nick Nicholas Dies, Veteran on Tenor Sax

New York Times Service

NEW YORK — Big Nick Nicholas, 75, a tenor saxophonist and singer who played with some of the greatest musicians of postwar jazz, died of heart failure here Oct. 29.

Born George Walker Nicholas, in Lansing, Michigan, he was a large man with big features; he said that the nickname Big Nick stuck to him from age 10. He had a robust, deep sound on the tenor saxophone, influenced by his hero, Coleman Hawkins.

In the late 1940s he worked with some of the formative bands of the decade, including those led by Earl Hines, Lucky Millinder and Dizzy Gillespie, but it wasn't until the 1980s that he made frequent appearances as a band leader in New York City, releasing the first album under his own name in 1983 on the India Navigation label.

Catharine Carver, 76, who won trans-Atlantic esteem as the editor of a galaxy of authors, including Hannah Arendt, John Berryman, Saul Bellow and Flannery O'Connor, died Tuesday in London after a series of strokes. About 20 years ago she was cited by New York PEN, the writers' organization, for her "creative contributions to authors and their works."

General Leon William Johnson, 93, who won the Medal of Honor for leading a daring low-level raid in the all-out air assault on the vast oil fields at Ploesti, Romania, in 1943, died Nov. 10 in Fairfax, Virginia.

Stefan Lorant, 96, a Hungarian-born writer and photographer regarded as a pioneer of photojournalism in Europe, died Friday in Rochester, Minnesota. He was established as a cameraman by age 19 with "The Life of Mozart." He created 14 films in Vienna and Berlin. He became renowned later for his pictorial biographics of U.S. presidents, including Lincoln and both Roosevelts.

BRIEFLY

Comoros Is Rebuffed on Talks

MORONI, Comoro Islands — In an unexpected move, the Comoros government called Sunday for preliminary talks in the Indian Ocean islands before a full-scale conference in Ethiopia on the crisis created by the secession of two of the islands in the group.

The proposal, announced by President Mohammed Taki's cabinet director, Mohammed Abdou Soimadou, was immediately rejected by the self-declared independent government on Nzwani Island, formerly Anjouan.

Opposition groups in the Comoros have said they would boycott the Addis Ababa conference, which is sponsored by the Organization of African Unity, because they were dissatisfied with their share of the proposed delegation.

The OAU's special envoy, Pierre Yere of the Ivory Coast, left on Saturday to return to Addis Ababa after spending six days in consultation with Comoros leaders. He made no comment on the talks. *(Reuters)*

Arctic Ozone Layer Thinning

WASHINGTON — Record-low levels of ozone above the Arctic last spring suggest that a new hole in the crucial atmospheric layer is forming, according to studies in the Geophysical Research Letter made public over the weekend.

Eight studies published in the journal confirm that ozone levels measured at the North Pole last March were 20 percent lower than readings for the same month in previous years.

The ozone layer has thinned over the last 20 years because of chlorofluorocarbons (CFCs), a chemical product used in aerosol sprays, although environmental agreements like the 1987 Montreal Protocol aim to restore ozone levels. *(AFP)*

Mexican Drug Figure Arrested

MEXICO CITY — The government said Sunday it had arrested Adan Amezcua Contreras of the Amezcua brothers drug-trafficking ring.

Mr. Amezcua was arrested in the northern state of Colima in a military operation, the Federal Attorney General's Office said in a statement.

"Upon being interrogated, he admitted to belonging to the Amezcua brothers criminal organization," the statement said.

Mr. Amezcua had a .38-caliber pistol at the time of his arrest, the statement said. It did not provide more details about the arrest.

Jesus, Luis and Adan Amezcua operate a drug-trafficking ring out of the western city Guadalajara, according to media reports. *(Reuters)*

Boutros Ghali to Lead Bloc

HANOI — Officials of France and about 50 other states represented at the seventh summit meeting of countries in the francophone movement ended their meeting here Sunday with a decision by all of them to form a loose political bloc with Boutros Boutros Ghali, the former United Nations secretary-general, as its first permanent spokesman.

The largest African member of the group, the Democratic Republic of the Congo, formerly Zaire, did not attend, and President Jacques Chirac of France said Sunday that leaders here had learned only from news reports overnight that Congo's leader, Laurent Kabila, had decided to pull out of the francophone bloc.

In a formal "Plan of Action" before their next summit meeting two years from now in Moncton, the capital of the Canadian province of New Brunswick, the leaders also agreed to make respect for democracy and human rights one of their main values, along with promotion of economic cooperation, development, and of the French cultural heritage acquired by many of them when they were French colonies.

French officials said Mr. Boutros Ghali, who will start a first two-year term of office on Jan. 1, would have a staff of about a dozen people in Paris. *(NYT)*

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

By Force if Necessary

The world has a Saddam Hussein problem. To say it that way defines the threat that he represents to the biosphere, the envelope of air and water that he proposes to infest with pestilences that respect no political boundaries. It also helps frame the reality that another round of American military action may be needed to deal with a man who seems determined to be both a nuclear renegade and a transporter of timeless plagues.

There have been no inspections of Iraq's germ warfare programs since Oct. 29. Its fermenters can prepare anthrax for weapons use in a matter of days. Given the right conditions, an airborne release of anthrax over a city could kill as many as 100,000 people. Friday's departure of the inspection force means that the system of arms control imposed after the Gulf War has lapsed, leaving Iraq's neighbors and the global community in a situation of intolerable vulnerability.

A new system has to be put in place as soon as possible. All this past week, President Bill Clinton was properly cautious about exercising the most solemn duty of his office, which is to decide when to risk American lives in combat. He called on Friday for a new regime of diplomatic pressures aimed at forcing Saddam Hussein back into compliance with United Nations inspection requirements. The principal hope for a peaceful resolution rests with the French, who are at last pressing Iraq's leader to end his defiance. We also urge the president to consider imposing a no-flight zone across Iraq, forcing Saddam Hussein to contemplate a grounded economy and loss of his aircraft as the price of noncompliance.

But it is hard to argue with those who think that all such steps will fail because Saddam believes that events are trending his way or because he wants to be hit as a way to rally his people and divide his enemies. The UN Security Council remains divided over endorsing further military action. Fortunately, President Clinton has authority under previous UN resolutions to make sure that the terms of the Gulf War cease-fire, including arms inspections, are enforced. If this last round of diplomacy fails, he will be justified in going to the enforcement procedure of last resort, which is the use of military strikes at Iraqi ground targets. This could take the form of retaliatory attacks if the Iraqis fire on the U-2 surveillance flights that could resume immediately.

Mr. Clinton can clearly get congressional approval, as he should, for the heavier blows that will be possible when U.S. Navy and Air Force units are in position in the coming days. Over time, the editorial page of The New York Times has endorsed such action with great reluctance. But the risk that Saddam Hussein is mad enough to unleash biological agents avoided by the century's worst villains is simply too great. The UN inspectors have to get back into Iraq, by force if necessary.

—THE NEW YORK TIMES.

Looking for a Way Out of the Trap Baghdad Laid

By Marvin C. Ott

WASHINGTON — Be thankful you are not the president of the United States right now. In Iraq, America faces a dilemma that is both profoundly dangerous and seemingly insoluble by any satisfactory standard.

Give perverse credit to Saddam Hussein. He has laid a trap and caught a superpower in it.

Consider the situation. The highest priority of U.S. security policy since the implosion of the U.S.S.R. has been to prevent the proliferation of weapons of mass destruction — biological, chemical and nuclear. The ultimate nightmare has been a radical regime and/or terrorist organization that acquires such weapons and is prepared to use them. Iraq, under Saddam Hussein, fits that description more closely than any other entity.

There is not the slightest doubt that the Iraqi dictator has made it his overriding objective to acquire such arms. He has not only succeeded in the case of chemical and biological weapons; he has used chemical weapons against his own population. Had the Gulf War not intervened, there is little doubt that he would already have acquired a working *nuclear weapon capability along with* the capacity to deliver it against targets in the Middle East at a minimum.

In short, this is a man and a regime determined to acquire the full panoply of weapons of mass destruction, and with the almost certain willingness to use them. That alone makes Iraq a unique and lethal threat that the United States simply cannot disregard.

The allied coalition terminated the Gulf War with the comfortable conviction that Saddam Hussein would fall from power after military defeat. United Nations sanctions and weapons monitoring would render his regime impotent until that happy moment. But look what has happened instead.

If there once existed a consensus in the UN Security Council favoring a strong military response to Iraqi interference with UN weapons inspectors, it is long gone. Iraq has used the lure of its potential oil wealth to persuade at least two members of the council, France and Russia, that sanctions should be relaxed, not strengthened.

The Netanyahu government in Israel has effectively torpedoed the Oslo peace process, and with it much of American credibility and support in the Arab world. Signs of growing Arab disenchantment with U.S. policy toward Israel and Iraq are everywhere. Now it is at least questionable whether Kuwait, Saudi Arabia and Turkey would permit a replay of the Gulf War, with American armed forces staging major military operations from their soil.

Consequently, Saddam Hussein holds nearly all the cards in this poker game. He can control the pace and direction of the crisis by choosing how and how fast to play them.

The trump cards that Washington thought it had, sanctions and air strikes, are of doubtful utility.

The ability to ratchet up sanctions as a means of pressure has been exhausted. The last painfully negotiated agreement in the Security Council produced only a token limitation on international travel by some Iraqi officials. There is no international support for the remaining sanction that might be effective, the actual severing of overland trade between Jordan and Iraq.

And Baghdad has apparently calculated the likely threshold of any American military action — probably a few buildings and facilities destroyed, but nothing that threatens the viability of the regime or its clandestine weapons programs.

It is entirely possible that Saddam Hussein calculates that limited American air and missile strikes would work to his advantage by further mobilizing Arab opinion to his side.

Meanwhile, for the United States the stakes on the table have grown alarmingly and now include American relations with Europe, with the Arabs, and with the United Nations.

So, what does Washington do? There seem to be three options at this point, all deeply unsatisfactory.

First, Washington can bite its lip and acquiesce in Saddam Hussein's dismantling of the UN weapons inspection machinery, in the hope that it can effectively monitor Iraqi developments from outside Iraq and respond militarily when a line is about to be crossed. But in all probability the capacity to monitor events with that level of precision simply does not exist.

Second, Washington could respond to Iraqi defiance, not with surgical air strikes but with massive bombing that would inevitably include at least portions of major Iraqi population centers.

Third, U.S. forces could mount an assault with the purpose of occupying Baghdad and forcing a regime change.

Simply to state the military options is to suggest how extreme and costly either would be. But to be spectators at the rebuilding of Iraqi arsenals could, in time, be more costly still. Is there a way out? That is a question Bill Clinton must be asking his national security team with increasing urgency.

The writer is professor of national security policy at the National War College in Washington. The views expressed here are his own and not necessarily those of the Department of Defense. He contributed this comment to the International Herald Tribune.

For a Global Energy Policy to Limit Greenhouse Gases

By Jim Hoagland

WASHINGTON — This is a story of greed, passion, addiction (to Middle East oil), danger (of nuclear power), energy taxes ... Got your attention? Good. Actually, this is a story about global warming and climate change, which is about all of the above and much more.

Eyes no longer glaze over at the mention of global warming. Lively, self-interested political debate has replaced nebulous scientific calculation as the driving force in an intensive effort to limit by international treaty the release of greenhouse gases that seem to do lasting damage to Earth's atmosphere.

A consensus now seems to exist among the world's political leaders that "there is a discernible human influence on global climate," which is affected by gases such as carbon dioxide, methane and nitrous oxide.

The Intergovernmental Panel on Climate Change, a group of 2,000 prominent scientists, reported that finding in 1992. More than 150 countries signed a UN framework convention in Rio de Janeiro that year promising to work to reduce global warming. Few actually did.

Three weeks from now, the Rio convention signatories will review the convention's effectiveness at Kyoto, Japan, where the Clinton administration will push for incentives and penalties that would regulate greenhouse emissions.

The U.S. point man on climate change, Undersecretary of State Timothy E. Wirth, gives a succinct mosaic of the administration's underlying philosophy and fear:

"Human beings increase the concentrations of greenhouse gases in the atmosphere primarily by the burning of fossil fuels — coal, oil and natural gas — and through a number of other industrial processes ... Since the Industrial Revolution in the 18th century, the concentration in the atmosphere of carbon dioxide has risen 30 percent," and the climate has warmed.

Mr. Wirth and others argue passionately that this dangerous trend will accelerate exponentially in the decade to come as China, India and other developing countries industrialize, using cheap but dirty energy sources, unless global limits are negotiated now and enforced.

U.S. Treasury Department officials, industry lobbyists and oil-producing countries argue just as strongly that the projections are unreliable or dead wrong, adding that carbon limits will harm the American and world economy.

President Bill Clinton has to some extent split the differences in choosing the U.S. targets to be presented at Kyoto, pleasing neither oil companies nor the environmentalists. But he has moved the debate significantly forward by accepting Mr. Wirth's thesis that the world must now face up to the need for a global energy policy to guide mankind's future use of coal, oil and nuclear power.

Mr. Wirth is too savvy to describe the plan he is pushing as a global energy policy. Already the Heritage Foundation warns that the Clintonites want to "force Americans to sacrifice their personal and economic freedom to the whims of a new international bureaucracy."

Energy policies have been out of vogue in Washington since Jimmy Carter styled his effort to cut oil imports and raise energy taxes as "the moral equivalent of war." Ronald Reagan and George Bush kept King Fahd's telephone number handy as their energy policy.

Mr. Clinton made the first big retreat of his presidency by abandoning legislation calling for a sensible energy-use tax, rather than fight congressional Democrats from oil-producing states. Since then he has avoided the subject, painfully aware that national energy taxes are a nonstarter in today's Washington.

But he now begins to push energy conservation and efficiency in his foreign policy.

His approval of selling U.S. nuclear reactors to China was based to a great extent on Wirthian arguments about how China, and India, must be persuaded to move from coal to more efficient energy sources such as oil, natural gas and nuclear energy. Increasing the use of nuclear power plants in the developed world is an inevitable outcome of the limits that Mr. Clinton is seeking at Kyoto.

Fortunes will be made or unmade in the energy business at Kyoto, and the lobbying around the conference is fierce.

The European Union, in a burst of rank hypocrisy, slams Mr. Clinton's balanced targets as insufficient, while arguing that the developing world should not be required to cut carbon emissions now. The European posturing makes Kyoto more difficult than it has to be.

But if the Kyoto meeting generates new thinking about the need for national and international energy policies, count it a success for Bill Clinton's careful but clear leadership on this issue.

The Washington Post.

A Vision for Central Asia, the Caucasus and the Gulf

By Stephen S. Rosenfeld

WASHINGTON — A recent picture showed Hillary Rodham Clinton smiling with Kazakh girls in ceremonial dress, but Mrs. Clinton's purpose in Central Asia was not cute at all. She was at the cutting edge of a bold aspect of Clinton foreign policy: to bring Central Asia and the Caucasus into what Deputy Secretary of State Strobe Talbott called the "Euro-Atlantic community" when he laid out the policy in a speech last July.

You could describe American policy another way: to engage a part of the world that is an emerging strategic crossroads and is soaked in oil, to take advantage of the power vacuum created by the Soviet Union's disintegration and the surviving pieces' multiple distractions, to orchestrate the instruments of American commerce, technology, culture and projected power, to establish a dominating position and tie the region to the West — and to do all this without provoking a Russian bear that is otherwise occupied at this moment but will someday revive.

In short, to join the "great game," the 19th century struggle for Central and South Asian influence between Russia and Britain, but in a 20th century way that leaves only winners, with Russia high among them.

Bradford McGuinn, a lecturer at Florida International University, suggests in Middle East Insight magazine that the United States, with its embrace of oil-super-rich Azerbaijan and with its hedged new opening to Iran (and with much else), "is moving to consolidate its domination of the Caspian and Persian Gulf regions."

This is "a unique moment," he continues, an era when America, armed with an ambitious agenda and overwhelming military and commercial power, "stands ready to achieve a measure of geopolitical mastery seldom witnessed in history."

Geopolitical mastery? The Clinton administration?

U.S. officials are wary of feeding local fears of being manipulated by American power. It was enough for the cool Strobe Talbott simply to list policy objectives for the region: to build democracy and a market economy, to aid in resolving local conflicts, and to serve the purposes of integration.

Integration is key. It means offering the benefits of participation in the international community to any country that stays on the reform path in foreign as well as domestic affairs. It implies that those benefits will be slow in coming to others.

Mr. McGuinn's strategic bent allows him to sort out the tangle of public and private acts — by governments, corporations, investors and others — that are shaping American policy on this geopolitical frontier. He puts in context Washington's showy reception of the president of Azerbaijan, who was seeking protection in return for oil.

Also the official decision not to oppose a new natural gas pipeline (Turkmenistan to Turkey) transiting otherwise forbidden Iran. Also the American military and diplomatic presence as made evident in force levels and arms sales in the Gulf area and in participation in regional peacemaking and peacekeeping and in military exercises.

Mr. McGuinn believes it would be a real breakthrough if the new Iranian government in fact moderated and drained the ideology out of its conflict with the United States. The broader and firmer the American position throughout the whole Caucasus, Gulf and Caspian Sea region, the better the prospects of dealing with the hard cases like Iraq and Iran.

He sees three broad threats: a breakdown on the democratic-capitalist side, a return in Russia to belligerency and a reach to reassert control over its southern periphery, and an Islamist surge in pro-Western states.

"As of now, however, these threats seem distant and manageable. There exists [in the region] an intellectual consensus, combined with the tangible power of Western financial and military systems, which appears capable of overpowering challenges through confrontation or co-option. The joining of the Caspian and Persian Gulf systems is an audacious move, but the prize's allure makes the bid inevitable."

The Washington Post

Irresponsible House

In an extreme example of legislative irresponsibility, the U.S. House of Representatives on Thursday abruptly killed the carefully negotiated compromise on the United States' delinquent dues to the United Nations. It also deleted an urgently needed spending provision for the International Monetary Fund, which is trying to contain a dangerous Asian financial crisis.

The House Republican majority did not particularly object to the IMF spending or the UN provision, which the White House had worked out with Senator Jesse Helms. The Republicans' purpose was to hold these essential items hostage until the next session so as to coerce President Bill Clinton into supporting an anti-abortion measure. The measure would deny federal money to any overseas family planning agency that performs abortions or lobbies to change abortion laws.

Earlier, Mr. Clinton accepted a painful defeat over "fast-track" trade authority because he refused to accept the anti-abortion language. Then House members tried to hold the entire $13 billion foreign operations spending bill hostage to their cause. Finally they resorted to assaulting the IMF and weakening the United Nations in the midst of the Iraq crisis. The White House went only slightly overboard in characterizing their logic as "boneheaded."

—THE NEW YORK TIMES.

Squandered Stature

It has become commonplace since the end of the Cold War to describe the *United States as the world's lone superpower.* It also has become commonplace to assume that such a position can be maintained perpetually, and with little effort. The first statement contains a fair bit of truth, and it is something for which Americans should feel grateful. The United States is in a strong position to maintain a global peace, on something approximating U.S. terms, and to allow the world to concentrate on building economic prosperity. But this enviable position, if not used wisely and tended assiduously, can erode quickly.

The House of Representatives, in the days before its Thursday departure from Washington, gave a distressingly clear lesson in how to squander and diminish U.S. influence.

This is a Congress, it should be remembered, that is happy to presume on U.S. superpowerdom when anything in the world seems, by congressional standards, not quite right. Members do not have to be encouraged to lecture Russia on how to behave, to punish U.S. allies that make investment decisions which the members disapprove of, to rebuke this or that nation, and to rebuke the administration when it fails to whip those recalcitrant nations into shape. Many of these acts of random bullying go a long way toward reducing U.S. authority overseas, so that when the United States really needs support — as in the current crisis with Iraq — it becomes that much more difficult to obtain (although there is no excuse for French, Russian and Chinese weakness in this case).

This profligacy with superpowerdom is all the more striking now, given recent House votes that directly weakened U.S. standing. We are thinking here, first, of the House refusal to allow the administration to pay its debt to the United Nations. This act of petty blackmail by the House Republican leadership had nothing to do with the United Nations and everything to do with revenge because the administration would not cave on an unrelated matter. But the effect at the United Nations will be very real; and coming just as the United States is attempting to rally the tattered anti-Iraq coalition in the Security Council, the administration's description of the move as "utterly boneheaded" can only be described as kind.

We are thinking, too, of the House refusal to fund the U.S. contribution to the International Monetary Fund and its refusal to give President Bill Clinton the authority he needs to negotiate new trade pacts with other nations — for which latter decision the Democrats are chiefly responsible. Both actions will limit U.S. ability to lead and will cast doubt in other countries about the U.S. commitment to world leadership.

Maintaining U.S. influence in the world depends on preserving a strong military; here, too, the critics who contend that the administration and Congress are stretching the armed forces too thin deserve a serious hearing. It depends on a strong U.S. economy. And it depends, as well, on maintaining the will to exercise leadership. When Congress denies the president the tools he needs in the world, it calls that will into question.

—THE WASHINGTON POST.

Other Comment

A Signal to Netanyahu

U.S. irritation with Benejamin Netanyahu stems not just from his foot-dragging in the peace talks but from the perception that he lacks a commitment to see the process through. The Israeli insists that his policies are guided by security concerns. No one questions the importance of that, but most Israelis do appreciate that long-term security ultimately depends on first successfully negotiating peace. Bill Clinton is unhappy with Mr. Netanyahu's spiritless approach to negotiations, and by finding it inconvenient to meet with him in Los Angeles he is properly signaling his displeasure.

— Los Angeles Times.

East Asians Need Tough Love

By Gerald Segal

TOKYO — What can the United States and Europe do to help East Asia recover from its financial and economic problems? The issue will be raised at the annual summit of the Asia-Pacific Economic Cooperation forum, in Vancouver next week. Senior European officials planning an Asia-Europe meeting of heads of government in London in April are also preparing their response.

The best answer must be "tough love" — helping Asians help themselves by carrying out the tough reforms demanded by global economic institutions.

East Asian woes are likely to have relatively little impact on the economies of industrialized nations in North America and Europe. Assuming that South Korea's bubble does not burst, thus further deflating Japan, Asia's economic travails will take less than 0.5 percent off the GDP of the United States and the European Union in 1998.

Because exports from developing East Asia compete very little with exports from the developed world, cheaper imports from Asia will mean that America and Europe gain from lower inflation. Some 17 percent of American exports go to non-Japan Asia; the comparable figure for Europe is less than 10 percent. The damage to their export industries from the looming economic slowdown in East Asia will thus be limited.

But it would be myopic for America and Europe simply to focus on how they stand to gain from Asian problems. It is in times of crisis that key relationships are formed. Now is the opportunity to create stronger ties with East Asia.

The difficulties facing East Asia should give Americans and Europeans confidence that the region is not a source of invincible economic superheroes. Protectionist sentiment should ease as it becomes clear that there is no Asian economic miracle built on unique Asian values.

The crisis also shows that East Asia is not a monolith and that there will be increasing competition among the economies of the region, which will provide new opportunities for creative investors.

Unwelcome Western warnings about the need for unpleasant medicine in East Asia should now be heeded.

East Asian countries must implement thorough reform, especially of the financial sector. Crony capitalism must end. There should be greater transparency in economic policy and greater pluralism and accountability in the region's political systems.

These are the bedrock values of successful capitalism. The so-called healthy fundamentals of Asian economies are now in the emergency ward. Failure to reform could leave East Asia as damaged as Latin America was in the early 1980s.

Now is the time for a concerted American and European defense of open multilateralism in trade and finance. IMF conditionality is precisely the kind of tough love that Asians need to reform their economies. The recent IMF deal with Indonesia looks like doing more good in that way than a decade of Asian values and Asian solutions.

The battle against the notion of Asian solutions to Asian problems is connected to the struggle to bring China into the international community. Beijing resents being told that it must accept the rules of the World Trade Organization and tolerate implicit constraints on national sovereignty. The West must make plain to China and advocates of "East Asia for Asians" that, with all due respect, there is no avoiding the basics of Western-created institutions and the Western norms that underpin the success of the global capitalist economy.

The writer is director of studies at the International Institute for Strategic Studies in London and director of Britain's Pacific Asia Program. He contributed this comment to the Herald Tribune.

Herald INTERNATIONAL Tribune
ESTABLISHED 1887

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Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Russian Flood

ST. PETERSBURG — A sea wind has been blowing here all day [Nov. 16] with extraordinary violence, chasing before it the falling snow and driving up the waters of the Neva and the canals, which have overflowed their banks in different quarters of the town, especially in the old part. The wooden bridges on the Neva have been carried away by the rising flood, which shows no sign of abating, but threatens to assume grave dimensions.

1922: Tory Victory

LONDON — With results now recorded from all but 12 of the 615 constituencies, predictions that Mr. Bonar Law's party would come out on top at the general election have been realised. Although the Premier's party this morning [Nov. 16] seemed doomed to suffer heavy losses, later returns revealed that the Conservative hold on Great Britain was exceptionally strong. The day was full of dramatic surprises, the greatest and most sensational being the news that Mr. Winston Churchill had been beaten at Dundee, where the former Colonial Secretary failed to win either of the two seats.

1947: Atom Bomb

NEW YORK — Admiral W.H.P. Blandy, in charge of the atom bomb tests at Bikini, said last night [Nov. 14] that he believed that the theory that "a war can be won against a powerful enemy in twenty-four hours by atomic bombing is completely fallacious." The admiral, who is commander of the Atlantic Fleet, said in a speech: "I do not believe that the destruction of cities by atom bombs at the beginning of a war, when the country receiving such an attack still possesses effective offensive forces, will insure surrender."

هكذا من الأصل

صكذا من الاصل

LANGUAGE

Uncovering the Story of the Full Monty

By William Safire

WASHINGTON — How do you describe "everything"? I don't mean a few cosmic items, or a bunch of *stuff*; I mean *the whole shootin' match, the works, the entire kit and caboodle, the whole ball of wax*. Everything, including *the kitchen sink*.

For nearly a century, the collective slang of choice by such writers as Walt Whitman, Bret Harte, and Mark Twain was *the shebang*, a term meaning "a hut, shed, tent, or dilapidated dwelling," perhaps from the Irish *shebaan*, or "lowly tavern"; by metaphoric extension, the whole shebang came to mean "the entire setup." After a good run, the shebang seems to be closing its tent.

Its replacement in the past generation had been *the whole nine yards*. No, this had nothing to do with football (you need 10 yards, not 9, for a first down) or material for a wedding dress. Diligent research, buttressed by many letters from construction workers, points to the cubic contents of a cement truck. (I say it's a cement truck; they call it a concrete truck. Whatever you call the conveyance, a full, rotating load supposedly contains *the whole nine yards*.)

Now a new challenger has entered the lexicon of surfeit. "Buy a simple package of 14 channels," advises Britain's Daily Mail, and it will cost about $10, but it will cost you triple that if you take 16 channels, a movie channel and Sky Sports, and *in the newspaper's figure of speech*, "go for *the full Monty*." In 1993, The Glasgow Herald described a diner "tucking into *the full monty* — bacon, sausage, eggs, and black pudding." It was the title of a 1993 book by Jim Davidson, a TV comic, and the name of a horse in 1990. (For a century, a monty has been racetrack slang for "a horse certain to win.")

The San Diego Union-Tribune ran a story about the Carlsbad City Council's zoning restrictions to avert garishness: "Carlsbad has reached the point where it can afford to go the full monty — full frontal snobbery."

That metaphoric reference to nudity is repeated in the movie section of The Boston Herald: "Apparently Tinseltown is atwitter over 'Boogie Nights,' the New Line Cinema flick where Mark Wahlberg, 26, does *The Full Monty*, snorts coke and God knows what else as porn star Dirk Diggler."

The phrase is being spread around the world by the success of a low-budget British comedy-drama from Fox Searchlight Pictures titled "The Full Monty." In it, the main character says, *"The Full Monty* . . . don't think I relish the idea of pulling off my kegs and showing my lunch box to the world." Fox publicity defines the phrase this way: "1. naked, nude. 2. to go *the Full Monty*, vb., to take all one's clothes off, to go the whole way, to be totally naked."

The meaning ranges from leaving nothing out to leaving nothing on.

The etymology of the term is in dispute. One school holds that it comes from a card game, either *monte bank* or *three-card monte*, the phrase derived from a pile, or mountain, of cards. Another points to a Liverpool haberdashery selling arriving sailors an entire shore outfit. Michael Quinion, who writes a lively Web page about new words (http://clever.net/quinion/words), reports the speculation that it may have to do with Field Marshal Bernard Montgomery, Monty to his troops, who cut a splendid figure in full regalia.

The origin has to be considered obscure, but the meaning is "the totality," with a special sense of "nakedness." The phrase is already spawning puns; Entertainment Weekly refers to "Wuthering Heights" as "the full Bronte."

The quotation anthologist Nigel Rees's Quote . . . Unquote newsletter (Box 292437, Dayton, Ohio 45429) takes up the topic of film clichés.

No movie comes close to "Casablanca" (screenplay by Howard Koch, Julius J. Epstein and Philip G. Epstein) for the coinage of what later became clichés: *Play it, Sam* (without the "again") has been extensively studied here, as have shocked, shocked and the usual suspects, later the name of a rock group and now the title of a movie.

But consider the phrase *what a dump!* This was quoted by Elizabeth Taylor in the 1966 film version of Edward Albee's play "Who's Afraid of Virginia Woolf?" as derived from a line delivered by Bette Davis in the 1949 film "Beyond the Forest." But Jean English, a newsletter correspondent, found it in Otto Preminger's 1945 "Fallen Angel." Dana Andrews holes up in a fleabag hotel and expostulates, though without Davis's diction, "What a dump!" This phrase has been the bane of real-estate agents ever since.

"What do we do now?" "We wait." This staple of TV crime series can be found in a 1967 episode of "The Champions" and was repeated in films like "Beverly Hills Cop" in 1984 and "Ghost" in 1990. No stake-out can be filmed without this exchange.

"We'd better call the police." "I am the police." Richard Hollinshead did the research on this classic dialogue, finding it in Clint Eastwood's 1971 "Dirty Harry" and in his 1973 "Magnum Force," antedated by the Dana Andrews line in the 1944 "Laura." (If anyone ever says to me, "We'd better call the language police," I'm ready.)

New York Times Service

BOOKS

MONITOR: The Story of the Legendary Civil War Ironclad and the Man Whose Invention Changed the Course of History

By James Tertius deKay. 247 pages. $21. Walker & Co.

Reviewed by
Christopher Lehmann-Haupt

WHAT most people remember about the Monitor and the Merrimac is that, like the gingham dog and the calico cat, or Tweedledum and Tweedledee, the two of them fought each other. That they did, on March 9, 1862, in the waters of Hampton Roads, Virginia, in the first battle between ironclad ships.

But beyond the fighting, most people have got it wrong, as James Tertius deKay, a naval historian, tells it in this sprightly popular history.

For one thing, most people think that the Monitor was the world's first ironclad warship, which, as deKay writes, "is not even remotely the case." Both the British and French navies had launched ironclads before the Monitor was built. For another thing, people think that since the Monitor was such an advanced vessel, "she is more notable for what she was than for what she did." If this were so, her story would lack narrative.

When the Monitor steamed south for Chesapeake Bay a month after its launching on Jan. 30, 1862, at the Continental Iron Works in Brooklyn, New York, the question of whether the Union or the Confederacy would be the superior naval power still lay very much in the balance. In April 1861, forces of the North had tried to destroy what they had to leave behind when they withdrew from the Norfolk Navy Yard, the largest and best-equipped shipyard in the country. But the South had managed to salvage the remains of the Merrimac.

Renamed the Virginia, the ship had been armor-plated and outfitted with a device for ramming. On Saturday, March 8, 1862, the ship attacked and destroyed most of the Union squadron guarding the passage from Chesapeake Bay to the sea, and thereby threatened to break the Union's naval blockade of the Confederacy. On that blockade depended the continued neutrality of England and France, with which the South hoped to trade its cotton for industrial supplies. If the blockade could be broken, the South might well win the war.

Then into Norfolk Roads steamed the Monitor, seeming to the men aboard the Virginia like "another nondescript vessel," writes deKay. The ship was the invention of John Ericsson, a brilliant Swedish engineer who had ranged over Europe and America trying to make his visions of the future understood.

Ericsson had seen the need for what he ponderously called "a subaquatic system of naval warfare," and he created it by designing the screw propeller and a radically new steam engine below decks. The ship was not especially seaworthy, but what bore down on the marauding Virginia was the prototype of all future warships.

Admittedly, the showdown, in deKay's account, does not set the spine to tingling. The concept of the Monitor was sound; in theory the rotating turret allowed the ship to shoot in any direction, but the execution was flawed.

For instance, the commander found it difficult to start the turret turning, and once started, he found it equally difficult to stop.

The battle ended with a misunderstanding, as the Virginia appeared to withdraw. Both sides thought they had won. But deKay concludes, "In that single, seemingly equivocal four-hour action on March 9, the Confederacy lost its last real opportunity for European intervention, and with it, the war."

The next December the Monitor went down in an Atlantic storm with 16 hands on board. Twenty-seven years later, John Ericsson died at 85, financially independent from orders for larger and more complicated versions of his ironclad. The Monitor lies half buried in sand in some 220 feet of water 16 miles off Cape Hatteras.

New York Times Service

BRIDGE

By Alan Truscott

TWO teams, each beaten once, survive in the New York Double Knockout Team Championship for the Von Zedtwitz Trophy. One is a group captained by Mark Feldman and including Adam Wildavsky, Michael Massimilla, Irina Levitina, and Judi and Michael Radin. The other is the defending champion team: Lapt Chan, Liz Reich, Brad Moss, Phillip Alder, Jim Krekorian and Jon Heller.

The Chan team won its semifinal by 11 imps against a foursome led by Marcel Friedman. Both North-South pairs reached four hearts on the diagramed deal, but with different results.

In one room South won the opening diamond lead and immediately finessed the spade queen. Moss as East won with the king and shifted to the club jack. This was covered by the queen and ace, and West cashed the diamond queen and shifted to the spade jack. There was no way to take 10 tricks now. South could maneuver to draw trumps, using dummy's entries for finessing, but would be left with a club loser. And if he ruffed two clubs in dummy he would have to lose a trump trick eventually.

In the replay Alder held up his diamond ace for one round and then led the club queen.

West played low, which would perhaps have been right if East had held the king. As it was, it was fatal to the defense.

South led another club, and West made life easy by taking his ace. But it made no difference. If he had played low, the declarer could not have been prevented from drawing trumps with two finesses. One club ruff would suffice, because the king would be established.

The Chan team gained 10 imps, which was almost the entire margin of their victory.

NORTH
♠ A Q 9 8 6 3
♡ 9 8 6
◇ 5 3
♣ 8 2

WEST	EAST
♠ J 5	♠ K 4 2
♡ 7 2	♡ K 10 4
◇ K Q J 7 4 2	◇ 10 8 6
♣ A 7 6	♣ J 10 9 4

SOUTH (D)
♠ 10 7
♡ A Q J 5 3
◇ A 9
♣ K Q 5 3

East and West were vulnerable.

The bidding:

South	West	North	East
1 ♡	2 ◇	2 ♡	3 ◇
4 ♡	Pass	Pass	Pass

West led the diamond king.

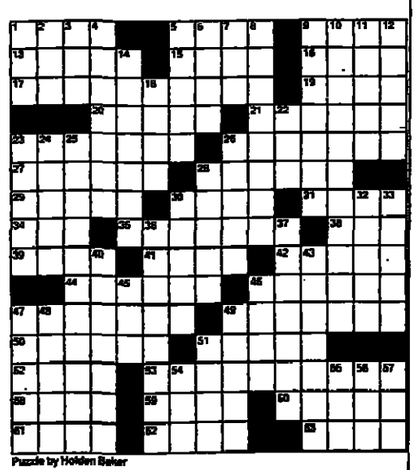
CROSSWORD

ACROSS

1 Walk, trot or canter
5 Cheese served with crackers
9 Cavort
13 Speak without notes
15 Loaf about
16 Race track
17 Girl in a children's story
19 Dried up
20 Go on and off, as a traffic light
21 Spain and Portugal
23 Polluted
26 Having round protuberances
27 Hammed it up
28 Irish accent
29 Foremost's partner
30 Try, as a case
31 Go out with
34 Liturgical vestment
35 Mocked
38 Clear (of)
39 *Shirts for golfers?*
41 Opposite of include
42 Mellowing, as cheese
44 Long-legged shorebird
46 90's music or fashion
47 These can be winning or losing
49 Scarlet bird
50 Reaches, as a pool cue
51 Harold who wrote "Stormy Weather"
52 Harangue
53 *Worse than awful*
58 Fairy tale's opening word
59 They crisscross Paris
60 Grafting shoot
61 Bambi and kin
62 They may be loose or split
63 Burden

DOWN

1 Joke
2 Commotion
3 State west of Ind.
4 Choice morsels
5 Flaxen-haired
6 Boulder
7 Variety
8 Hamlet's home
9 Citizen Kane's last word
10 Domineering
11 Nobelist Curie
12 Beg
14 Military lodgings
18 Stretched the truth, so to speak
22 Peat locale
23 Trim, as a roast
24 Author Zola
25 Restraint
26 Velveeta maker
28 Comport with
30 Development developments
32 Touch of color
33 Landscaping tool
36 Overconfident
37 Sock menders
40 More slender and graceful
43 Wild llama
45 Acorn tree
46 Joyous celebration
47 Seafood order
48 Macbeth, for one
49 Lady's keepsake to a soldier, once
51 Not up yet
54 Convent dweller
55 Storage container
56 Costello or Grant
57 Printer's widths



Puzzle by Holden Baker

Solution to Puzzle of Nov. 14

A	U	D	I	O	V	I	S	U	A	L	A	I	D	S
C	L	A	S	S	I	C	A	L	B	A	L	L	E	T
O	N	T	H	E	D	O	T	T	E	D	L	I	N	E
W	A	I	T		A	N	Y			L	E	V	E	R
		N	A	T	L		R	E	V	E	R	E		
N	E	G	R	I				V	I	R	G			
A	P	B		S	T	A	R	E	S		I	B	L	E
R	E	A	C	H	E	S	A	N	A	C	C	O	R	D
A	E	R	O		T	S	E	T	S	E		R	O	D
			L	A	R	A				L	E	N	N	Y
		T	A	T	A	M	I		I	S	N	T		
O	R	A	N	T			T	O	N		C	O	O	T
T	O	M	D	I	C	K	A	N	D	H	A	R	R	Y
I	M	P	E	R	I	A	L	M	E	A	S	U	R	E
S	P	A	R	E	D	N	O	E	X	P	E	N	S	E

© New York Times/Edited by Will Shorts.

INTERNATIONAL

DENMARK: *Xenophobic Weed Grows in the Tidy Little Garden*

Continued from Page 1

tween racism and economic threat or deprivation.

Denmark is not only well-off, but without a trace of existential menace at the horizon. With only 4.5 percent of the population of 5.5 million made up by immigrants or refugees, no foreign horde has crept in or waits or at the gates. Yet, a state television survey last month said that foreigners' presence in the country concerned the Danes more than any other issue, including taxes, jobs or the environment. And this in a place whose king chose to wear a yellow star during the Nazi occupation in World War II, and which secreted its Jews by fishing boat to safety across the Oresund to neutral Sweden.

The explanations for what is happening are often embarrassed and dismissive, with an undertone that this is just slovenly behavior, a pile of rotting leaves alongside the gleaming national cottage. Following this line, the rightist surge should be seen as a nasty quirk, rather like the Danes' flirtation with Mogens Glistrup, the tax-rejectionist who pushed his party into Parliament in the mid-1970s, and then eventually went to jail. This approach, it turns out, has helped Mrs. Kjaersgaard to appropriate the national agenda in a small country that deals mostly with one big issue at a time.

"What we are finding out is that we can melt small pieces, but that we are not a melting pot," said Hans Jorgen Nielsen, a professor of political science at Copenhagen University's Institute of Political Science. "What seems to be out there is the feeling about immigrants that 'we get too little, and they get too much.' It's come out that in certain circumstances, the immigrants or refugees really do better. If you're a Somali and you have two wives and 11 children, you really do well. That's crazy, and that's too bad.

"There are real racists out there, but they're just a few. It is not a cosmopolitan society here. Some surveys show that the first and foremost opposition is to the Muslim groups and the Arabs. The Vietnamese are absolutely popular. The negative feelings relate to how difficult it is to integrate people."

Some of the anger seems to focus on the fact that the Danish welfare state can provide a jobless immigrant and his family the same cash allotment that a native-born Dane would receive after a working life of 50 years. Refugees and immigrants identified as Palestinians, Somalis, Bangladeshis, Kurds and Iraqis have been concentrated in a handful of neighborhoods in working-class areas, with their children sometimes making up the majority of the local school population. Danes have transferred their children in growing numbers to private schools, and old people have complained of attacks and hard looks.

What Mrs. Kjaersgaard seems to have grasped was that for the mainstream political parties here, it was particularly difficult to say that the tensions coming out of the new, multiethnic experience were not going to be resolved solely through a little more Danish tolerance. After a few well-reported fights between immigrant gangs, and a campaign by the national tabloid newspaper Ekstra Bladet aiming at welfare cheaters among refugees and immigrants, the polls began moving sharply in her direction at the end of the summer.

Peter Gorm Hansen, president of the national association of cities, believes Denmark's national politicians have reacted to the problem with almost catatonic incompetence, avoiding a clear message coming up from the streets. "The notion in our political elite is we've got the best welfare system in the world, the best garden in the world, and that a lot of real issues don't concern them or Denmark. The idea is always, 'The other bastards can't teach us a thing, and we've got it all down right.'"



Claus Fisker/Agence France-Presse

Pia Kjaersgaard, leader of the People's Party, says 'it's a crime to be racist,' but 'Muslims are a problem.'

Out on the street, the mean edge is not easy for a visitor to pick up. But two Moroccan teenagers charged into a community assistance center last week, saying the police had carted off two of their friends from a bus after the bus driver grabbed one around the neck because he was "making too much noise."

Suzanne Lazare, 22, who took down the complaint, said Denmark had changed enormously since she came to Copenhagen from Trinidad 12 years ago. She was even thinking of leaving. "Their eyes have changed," she said. "The Danes look down at you now. People are becoming very cold. Funny thing, it's towards themselves, too."

For Mrs. Kjaersgaard, who describes herself as a "50-year-old middle-class housewife and mother of two grown children," her party's seeming success has to do with wanting to talk about things the establishment does not. For example: a study, she says, that projects that Denmark in 25 years will have 600,000 people "with another background."

Mrs. Kjaersgaard says "it's a crime to be a racist, awful," and that what "I read about Jean-Marie Le Pen in France, I don't like." But she has no trouble being called a nationalist, and insists the word racist has become devalued.

"I think the Muslims are a problem. They are quite as good people as you or me. But it's a problem in a Christian country to have too many Muslims. We have had Jews for many years and they do a very good job. But you must not show a negative attitude toward our traditions and that's the case, I think, for the Muslims. They don't like me.

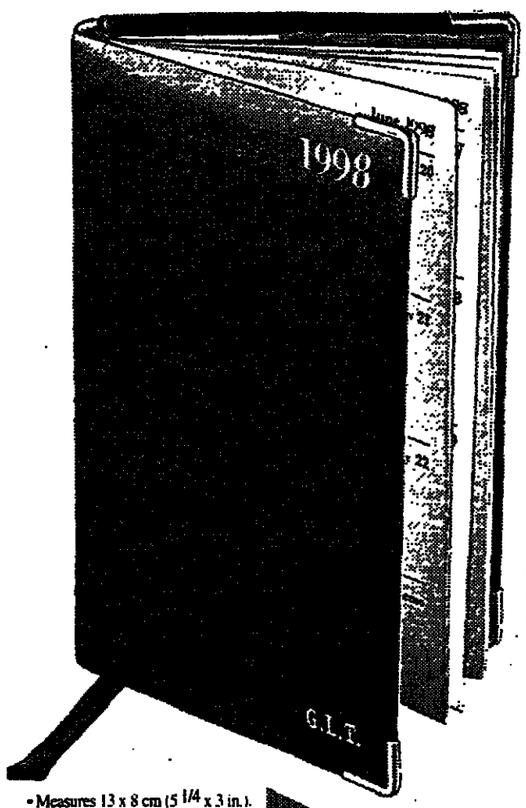
"What we want to discuss is how many refugees we should have and how much money we can spend on them. That's the problem, how many, how much. I want to keep Denmark as a country with its own traditions and history."

An inkling, beyond the polls, of how Mrs. Kjaersgaard's message is doing could come from countrywide municipal elections Tuesday, but they are universally seen as dominated by local issues. The People's Party has urged a no-vote in a referendum here in May on the European Union expansion program contained in the Amsterdam Treaty, but the matter is also seen as largely separate from the xenophobic issue. That leaves the national elections later in 1998.

The proper response to Mrs. Kjaersgaard, according to Erling Olsen, the speaker of Parliament and a senior figure in the Social Democratic Party, which leads the minority government, is *to remain humanist while seeking to limit* the abuses in the area of immigration. That means, for example, more preschool Danish classes, but also better screening of applicants for residence. As a first step, the government has removed the cabinet minister overseeing immigration and put in a tougher-minded replacement.

Mr. Olsen, who is appreciated here for his sly wit, said he felt the peak would come off the issue in the spring but that the mountain under it would not disappear. "The Danes actually believe that we're better than anyone else. We thought we have a wonderful place and could welcome some guests. Well, maybe not so many. It's a small country but a little megalomaniac. We'll have to find a solution, a tolerant one."

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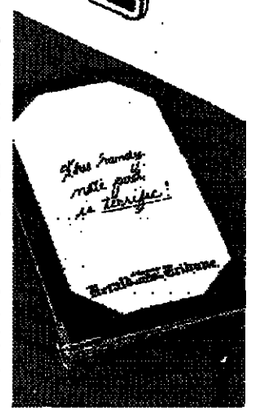
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INTERNATIONAL

U.S. Weighs the Pros and Cons of Force Against the Intransigent Saddam

By Eric Schmitt
New York Times Service

WASHINGTON — In the 1991 Gulf War, the U.S.-led coalition dropped more than 88,000 tons of bombs on Iraq, crippling the country's electricity networks and oil refineries, severing bridges and destroying roads.

President Saddam Hussein of Iraq did not budge.

American military and political officials are thinking carefully about that frustrating lesson as they weigh using force, with the public's growing support, to deal with Mr. Saddam's latest act of defiance against the international community.

In this standoff, the Clinton administration's goal is not simply to punish Baghdad for something it did, as happened in 1993 after the alleged assassination plot against former President George Bush, or last year when the Iraqi Army's attacks on Kurdish enclaves drew American air strikes.

This time around, the administration is trying to accomplish something much more difficult: to coerce Mr. Saddam into reversing his decision to expel the American members of a UN team charged with tracking down and destroying Iraq's secret nuclear, chemical and biological weapons programs.

But if 43 straight days of air bombardment failed to evict Iraqi forces from Kuwait in 1991, why should anything less persuade Mr. Saddam to let the inspectors back in now?

Despite those punishing air attacks, which crippled Iraqi communications and hampered Iraqi defenses, it took a massive ground assault by troops to drive Mr. Saddam's army out of Kuwait.

"Knowing his track record, it's awfully hard to imagine how much of a beating he'd be willing to absorb before he'd come to some agreement," said Stanley Arthur, the four-star admiral, now retired, who commanded allied naval forces in the Gulf War.

For that reason, any strategy that relies on bombing raids to reform Iraq's ways is filled with political and military gambles. Air campaigns, whether carpet-bombing in Vietnam or the withering barrages in the Gulf War, have successfully altered the tactical equation on the battlefield but have rarely changed an enemy's behavior.

Defense Secretary William Cohen seemed to acknowledge these limitations on air power Friday, saying, "We're not looking to bomb anyone back into either a Stone Age or into any sort of submission."

Unlike the pinprick strikes or two-day missile volleys waged by Washington since the end of the Gulf War, Pentagon planners and independent experts say the current showdown would almost certainly require a larger and prolonged air assault.

Anthony Cordesman, a Middle East expert at the Center for Strategic and International Studies, offered a range of options — from declaring the air space over the entire country a "no flight" zone, to striking more than 200 military headquarters and intelligence targets to pressure Mr. Saddam into compliance.

If that did not work, he said, other sensitive targets could include some of the 17 presidential palaces Mr. Saddam has around the country as well as Republican Guard barracks and facilities.

"They could stagger cruise missile attacks to have one every hour or two, deliberately picking high-visibility targets," Mr. Cordesman said. "That would send a rolling political message that you're steadily raising the ante without having to stop or have long pauses."

But any extended air campaign would test the public's patience and draw strong criticism from Arab and European allies, many of whom have urged an end to international sanctions that have had a devastating effect on the Iraqi people but have left Mr. Saddam largely unscathed.

Reviving a tactic he used in the Gulf War, the Iraqi leader has moved women, children and other civilians near sensitive military targets or suspected weapons depots, daring Washington to risk killing civilians with laser-guided bombs and unmanned Tomahawk cruise missiles.

With American power and prestige at stake, once President Bill Clinton committed himself to using force to win the return of UN inspectors to Iraq, he would have to be prepared to use whatever military might is necessary, including ground troops, or else suffer a humiliating retreat. But no one wants to discuss the ground option now.

"I just don't think we'd put ground troops in the area," a four-star general said. "The American public will really have to think there's a major threat. And I don't think Saudi Arabia or Kuwait would allow it until they see there's a real danger to them."

To be sure, short of Iraq's firing at a U-2 reconnaissance plane flying over its territory, administration officials say, a military response is still a long way off as American emissaries pursue diplomatic options.

While bombing suspected storage and production sites for weapons is an alternative to having inspectors monitor them, it could unleash a toxic cloud that could kill thousands of people.

Moreover, as the United States learned after the Gulf War, when UN inspectors discovered mountains of chemical and nuclear components, air attacks against clandestine weapons are not very effective. Only when inspectors on the ground examined storage sites did they identify and destroy much of Iraq's illicit arsenal.

Patience Isn't 'Infinite,' U.S. Defense Chief Says

By Brian Knowlton
International Herald Tribune

WASHINGTON — U.S. diplomatic and military officials emphasized Sunday that the Clinton administration wanted to exhaust diplomatic efforts to resolve the crisis with Iraq before considering an attack.

But they added, as Defense Secretary William Cohen put it, that U.S. patience is "not infinite" in the standoff over Saddam Hussein's expulsion of American arms inspectors.

"There shouldn't be any artificial time limit or countdown," Mr. Cohen said. "But I think we're well aware of the ticking of the clock."

He repeated that any Iraqi attack on U.S.-piloted reconnaissance planes or U.S. targets anywhere would bring a firm and immediate response.

At the same time, Mr. Cohen and other officials said that diplomacy would be given a chance to work.

They spoke before reports emerged that Russia will try to mediate the affair. Russia and France, key members of the United Nations Security Council, have opposed the idea of punitive attacks on Iraq.

But the State Department spokesman, James Rubin, said that those countries were now standing together with the United States and Britain.

"All four of our countries are united," he said in a television interview from Kuwait, where he was accompanying Secretary of State Madeleine Albright. "Saddam Hussein must comply. There's no other choice."

President Jacques Chirac of France on Sunday denounced Iraq's stance in the confrontation as unacceptable and backed U.S. efforts to end the standoff. But he again emphasized the need to use "diplomatic means."

Mr. Rubin said that Mrs. Albright, on a hastily arranged mission to marshal support in the Gulf region, had spoken by telephone to the foreign ministers of Russia, France and Britain.

For now, said Samuel Berger, the president's national security adviser, "the issue of military action is not the issue that's on the table."

"Our immediate focus is on the diplomatic side," he said, adding that the administration was working to line up other countries in the face of Saddam Hussein's defiance and "to make it absolutely clear to him that he cannot divide the international community."

If diplomacy fails, Mr. Berger said, repeating the line the administration has taken since the crisis began late last month, "we will have to consider other measures."

Mr. Cohen was cautious about how much time the diplomats have to produce results.

"The president has indicated that we intend to be patient in trying to solve this," he said. "Patience is a virtue, but it's not infinite."

Mr. Cohen and others said that a U.S. military strike, if one were launched, would almost surely involve the air force and not ground troops. At the same time, they acknowledged the limits of air power, which can do little against targets buried deep in the ground.

The defense secretary acknowledged that bombing of Iraqi weapons sites would be more difficult because of the civilians, including women and children, who are serving as "human shields" around those sites.

Recent opinion polls have shown strong support among Americans for an armed reprisal should Iraq attack UN reconnaissance planes or U.S. targets. The support, in the 80 percent range, exceeds the initial public support for U.S. military action after Iraqi forces invaded Kuwait in 1990.

Those polls were taken before a Kuwaiti ambassador said that the emirate now opposed a U.S. attack on Iraq.

But Bill Richardson, the U.S. chief delegate to the UN, brushed off the ambassador's statement. He and other officials implied that the statement was meant to appease Iraq while not reflecting Kuwait's true intentions.

Support in Congress also appears to be strong for action, particularly if a UN plane or U.S. targets are attacked.

A leading congressional figure on defense matters, Senator John McCain, Republican of Arizona, said that cruise missiles might be insufficient and that B-52 bombers might be needed. "There are no good options in this scenario as it is unfolding."

Mr. Cohen, saying that Americans needed to understand the stakes, said that Iraq was trying to develop a missile that could reach U.S. territory to deliver chemical or biological weapons.



Jacqueline Larma/The Associated Press

A Palestinian man confronting Israeli troops near Bethlehem after the funeral of Ali Jawarish on Sunday.

From Death, Gift of Life in Bethlehem

By Joel Greenberg
New York Times Service

BETHLEHEM, West Bank — Violent protests erupted here Sunday after the funeral of a Palestinian boy shot by an Israeli soldier, even as the dead boy's organs were transplanted in an Israeli hospital after his father said they could be donated to Arabs or Jews.

The 8-year-old boy, Ali Jawarish, died Saturday, four days after he was shot in the head by a soldier during a stone-throwing demonstration near the Jewish shrine of Rachel's Tomb, an Israeli enclave in Palestinian-ruled Bethlehem.

After the boy was buried Sunday, scores of youths rushed by Palestinian security officers and stoned Israeli soldiers, who responded with stun grenades, tear-gas and rubber-coated metal bullets. A soldier was hit in the head by a stone, and a Palestinian news photographer was shot in the leg. Five other Palestinians were reportedly wounded.

At two hospitals near Tel Aviv, meanwhile, the heart, lungs, liver and kidneys of Ali Jawarish were given to three Israeli Arab boys.

Hospital officials said the recipients were chosen for medical reasons, not because they were Arab.

Ali's father, Muhammad Jawarish, said he had agreed to donate the organs, regardless of whether they were given to Arabs or Jews.

"This is an honor," he said. "I'm doing something so people won't have to see what I saw happen to my son. I want them to see a happy, healthy child. I don't care who the organs are given to, as long as these people are saved. I'm very pleased."

The rare donation was reported widely in the Israeli media, and praised by Israeli hospital officials. "This is a noble deed," said Sari Gotthold, director of transplants at Hadassah Hospital in Jerusalem, where the boy died. "The parents simply thought of giving new life after the terrible tragedy they suffered."

The uncle of one of the recipients, 12-year-old Ismail Hassanein from the Israeli Arab village of Iblin, thanked the donors for "their courageous decision to save human lives."

In Bethlehem, however, the mood was one of confrontation as Ali Jawarish was buried as a national martyr.

Hundreds of mourners, many of them schoolchildren, marched behind Palestinian flags and banners to the cemetery, shouting "God is Great!" and "With our blood and soul, we will sacrifice for you, martyr!" Schoolgirls held a banner that said: "Children are the beloved of God, but the hatred of the Zionists has blinded them."

Standing a few meters from Israeli soldiers who were guarding Rachel's Tomb, Palestinian youths vented their anger, denouncing Benjamin Netanyahu, the Israeli prime minister, and calling on Saddam Hussein, the Iraqi leader, to attack Israel with missiles in his looming confrontation with the United States. "Netanyahu, you wretch, get your dogs away from us!," they chanted. "Saddam, strike Tel Aviv!"

IRAQ: *Hint of Compromise*

Continued from Page 1

members — was rejected by Thomas Pickering, the U.S. undersecretary of state for political affairs. Mr. Pickering said on U.S. television that the Clinton administration refused to accept a conditional settlement with Baghdad over compliance with Security Council resolutions.

The Iraqi proposal may get a warmer hearing in other capitals, including Paris. President Jacques Chirac of France has backed President Bill Clinton's tough stance while voicing hopes that Baghdad can still be persuaded to retreat from its defiance of the Security Council. (Page 12)

Like Russia, France has often sought to delay punitive action against Iraq while exploring any opening for compromise that might lead to an accord between Baghdad and the Security Council and avert military hostilities.

Mr. Aziz seemed to refer to previous Iraqi charges that the United States was not impartial, saying in his interview with le Figaro: "We ask the Security Council to create a committee of experts whose impartiality was not in question."

"On this new inspection team, all five permanent members of the Security Council would have to have equal weight," Mr. Aziz said.

Theoretically, the inspection teams could be expanded to enable them to include as many experts as were needed from the United States and other Security Council member states.

But U.S. and some UN officials have warned that Iraq's goal in triggering the current crisis was to undermine the effectiveness of the United Nations inspection team by diluting its operational authority and opening the way to an end of sanctions before Iraq's illegal weapons programs have all been halted.

The United Nations has said it would resume flights of U.S. U-2 spy planes as part of its inspections.

■ Commitment From Russia

The United States has received a commitment from Russia to use its special relationship with Iraq to intervene in the crisis over the UN weapons inspectors, U.S. officials said Sunday, Reuters reported from Kuwait.

Washington had made a similar appeal to France, but whether Paris was prepared for that was "less clear," said an official traveling in the Gulf with the U.S. secretary of state, Madeleine Albright.

"We all recognize that the Russians and the French have had an influence over Saddam Hussein's behavior in the past," said the State Department spokesman, James Rubin.

"The idea is that they would be in the best position to convey to him the steeliness of the will of the international community to resolve this problem."

The matter was discussed in telephone calls over the last two days, one with the Russian foreign minister, Yevgeni Primakov, and one with the French foreign minister, Hubert Vedrine, Mr. Rubin said.

Mrs. Albright also spoke on Saturday with the British foreign secretary, Robin Cook, and President Bill Clinton spoke with President Boris Yeltsin of Russia.

"The focus of the president's phone call and her phone calls have been that the French and Russians specifically have a unique relationship with Iraq, and that it would be best for all of us if they would exploit that unique relationship and convince him to reverse course," said a senior official who spoke on condition of anonymity.

Chirac Assures U.S. Of 'Solidarity' in Crisis With Iraq

New York Times Service

HANOI — President Jacques Chirac of France, strongly condemning the leadership of Iraq for expelling American members of United Nations weapons inspection teams, said Sunday that he had told President Bill Clinton that France was "in solidarity with the UN and the United States in this crisis."

In what he called a long telephone conversation with Mr. Clinton on Saturday night, Mr. Chirac said he had expressed the hope that a diplomatic solution could still be found.

At the end of a summit meeting here of a group of 46 francophone countries seeking to form a loose diplomatic bloc, Mr. Chirac said, "I consider the present attitude of the Iraqi leaders is unacceptable, and I condemn it.

"Iraq has no choice but to cooperate with international authorities. There is no solution for Iraq in confrontation."

But Mr. Chirac added, "Iraq should know that if it cooperates, then there is a possibility that sanctions can be lifted."

France and Russia had differed with Washington before Iraq expelled American members of the UN weapons inspection team.

■ Blair Warns Saddam

Prime Minister Tony Blair delivered a message to Saddam Hussein on Sunday: If Iraq tries to develop weapons of mass destruction, "we will stop you," The Associated Press reported from London.

"Nobody wants military action taken, but I think it is important that we stand firm with our allies, the United States, that he will not be allowed to get away with it," Mr. Blair said in a BBC interview.

INSPECT: *Iraq Drew the Line Over UN Effort to Uncover Biological-Weapons Program*

Continued from Page 1

withdrew all its inspectors in protest.

The letter also sought information on missile warheads that the inspectors believe were filled with biological and chemical agents, and documentation on Iraq's possession of VX, a chemical nerve agent — all previously subjects of investigation.

But the letter signaled the Iraqis that the United Nations was specifically focusing on biological-weapons materials, components, tests and data, and on sites controlled by the Special Republican Guard, an elite 26,000-member force overseen by a son of Mr. Saddam's, Qusay.

The guard is charged with protecting the president's life, his palaces and his secrets; Qusay Hussein also controls Iraq's weapons factories. The guard has offices at the presidential palaces and intelligence headquarters, and it controls other buildings and large tracts of land in and around Baghdad. It has always placed these sites off-limits to the UN inspectors, citing reasons of national security. And for the last three years, UN officials said, the guard has been spiriting suspected weapons materiel and documents away from the inspectors.

So last month the investigators focused hard on investigating the guard itself, along with its campaign of concealment. They intended to conduct their searches between Nov. 7 and 11.

Iraq has continually lied about almost every important aspect of its biological-weapons program, the inspectors say. Until July 1995, Baghdad denied it had any such program.

Since then, the inspectors say, the Iraqi leadership has sought to hide its planning and decision-making on biological warfare and to disguise "its concealment of such programs and the preservation of biological-warfare capabilities after 1991."

Although the investigators say they lack many solid facts about the program, they assert that Iraq has vastly understated the size of its anthrax stocks. The Israeli daily newspaper Ha'aretz reported Friday that the UN weapons inspectors were close last month to identifying the location of nearly 900 pounds (400 kilograms) of anthrax.

Anthrax is among the deadlier biological weapons known. Matthew Meselon, a professor of molecular and cellular biology at Harvard University, said that 2 pounds of anthrax, properly dispersed, could kill people over an area of about 250 acres (100 hectares).

"It is very difficult to make a biological weapon that really works," he said. "But you can cause terror by claiming you've got it. Saddam may think he has no ace in the hole but this ace."

The Iraqis have not revealed what became of 17 tons of raw materials, imported nine years ago, suitable for the production of anthrax bacteria and botulinum toxin, a U.S. intelligence official said.

The inspectors also say that Baghdad has conducted undisclosed field trials of biological weapons. Some of the inspectors suspect that the tests may even have involved human subjects, UN officials said. The officials said they had no hard evidence to confirm that suspicion.

Unconfirmed reports that Iraq used human guinea pigs for germ-warfare tests have circulated for years.

In 1995, the inspectors seized videotapes of Iraqi anthrax and botulism tests showing infected monkeys, dogs and other mammals dying in agony.

The Iraqis keep exceptionally meticulous records of their weapons programs, said Raymond Zilinskas, a biotechnology expert at the University of Maryland who served as a UN inspector in 1994.

"The question everybody has" is what the biological-warfare records contain, he said. "The speculation is that it probably has to be unsavory activities — unethical experimentation."

DISSIDENT: *China, Under Pressure, Frees Wei Jingsheng, Who Arrives in the U.S. and Enters Detroit Hospital*

Continued from Page 1

through years of suffering in the Chinese gulag. After so many years of worrying about Mr. Wei's survival, his family and supporters seemed thrilled that freedom had finally come.

Yet Mr. Wei, 47, is not fully free. He is not free to live in China. In exile, his influence on Chinese affairs may dissipate, and it is unlikely that he will be allowed to return to China anytime soon.

One of the biggest unanswered questions on Mr. Wei's first day of freedom was why he dropped his long-standing refusal to leave China.

Perhaps, as family members said, his health has deteriorated so much that he needs medical treatment. It has been hard to gauge the seriousness of his heart disease since he has been in custody, but it may also be that Mr. Wei was tiring of the struggle.

The timing of his release was clearly entwined in U.S.-China relations and, specifically, with President Jiang Zemin's trip to the United States two weeks ago.

U.S. diplomats deny that they made any concrete deal with China to exchange Mr. Wei's freedom for wider trading rights. But that swap is now one of the net results of the visit, and it is hard to imagine that the long negotiations preceding the summit meeting did not involve careful discussion about what each side wanted most.

Mr. Jiang, in addition to his craving for the international recognition of a full state visit in Washington, wanted the United States to drop restrictions on China's ability to buy nuclear technology and military helicopters. Done.

Now, with Mr. Wei's release, Beijing has reciprocated by giving the Clinton administration what was at the top of its wish list: a human rights triumph to point to as a tangible yield from "engaging" Beijing.

Letting a political prisoner go may seem like a simple, costless act. Yet China's leadership is still so sensitive about internal critics that it generally fears that releasing one might be interpreted as a sign of political weakness.

For the moment, however, releasing Mr. Wei makes China's leadership look relatively confident and secure. This has been Mr. Jiang's year, emerging from the shadow of Deng Xiaoping to assert himself as China's foremost leader, presiding over the return of Hong Kong in July and dominating a Communist Party Congress in September.

Whether Mr. Wei's release is a solitary gesture, or a signal of a broader political relaxation by Mr. Jiang, remains unclear for now.

Political analysts here feasted on the possibilities raised by Mr. Jiang's ambiguous remarks at Harvard University, when he used the word "mistakes" in answer to a question about the Beijing massacre in 1989.

The official reason given for Mr. Wei's release was medical, since the authorities needed to justify their previous refusal to let him go.

"Wei Jingsheng has been released on parole for medical treatment because of his illness," the Xinhua news agency reported in a short dispatch. "Wei has gone abroad for medical treatment."

His case has attracted great interest by those who follow the progress, and lack of it, in China's efforts to develop a rule of law. Within the leadership, Mr. Wei's piercing analysis and cogent arguments for greater democracy seem to have attracted considerable concern, and Mr. Wei's letters to top leaders are said to circulate widely.

In a culture that strongly discourages individuality, and that demands submission to authority, Mr. Wei is an extremely unusual figure.

Stubborn, patient, and humorous, he has been unyielding in his insistence that true prosperity will come to China only with true democracy. He has rejected the counterargument that China's booming development of recent years is a sign that economic advancement can come without political reform.

Since 1979, when Mr. Wei was first sent to prison, he has been free for only six months. He served many of those years in solitary confinement, and has said he was subjected to repeated beatings, as well as constant psychological pressure. He was kept in a brightly lighted cell with a glass wall so that prison guards could observe him 24 hours a day.

Mr. Wei was released in 1993, six months before his 14-year sentence was complete, and just one week before the International Olympic Committee was to award the 2000 Olympics that Beijing was competing for. Sydney won in a close vote.

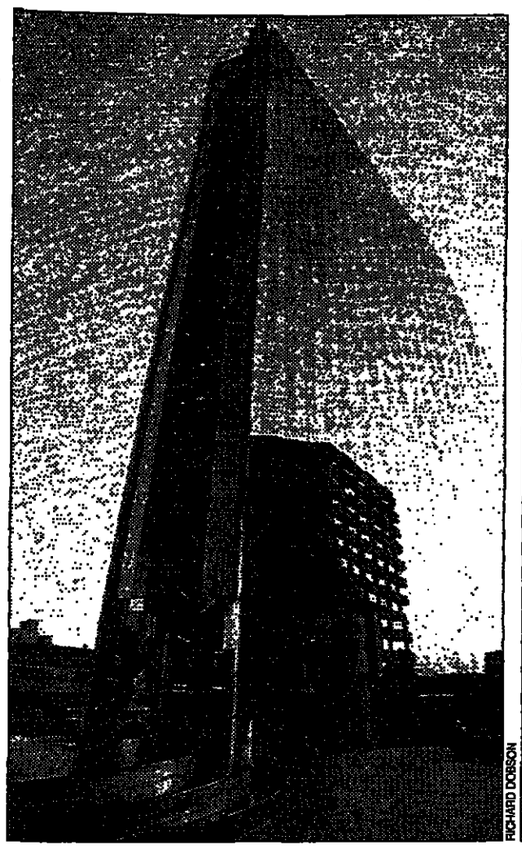
At the time, Mr. Wei ignored warnings from the authorities to keep quiet, arguing that it was his right to speak freely, and he continued to write and publicize his political views. A meeting with John Shattuck, the U.S. assistant secretary of state for human rights, seemed to infuriate the authorities, who soon took Mr. Wei into custody again.

Mr. Wei's departure leaves Wang Dan, a student leader in the 1989 pro-democracy movement, as the nation's most prominent political prisoner. Now 28, Mr. Wang is serving an 11-year sentence plotting to subvert the government.

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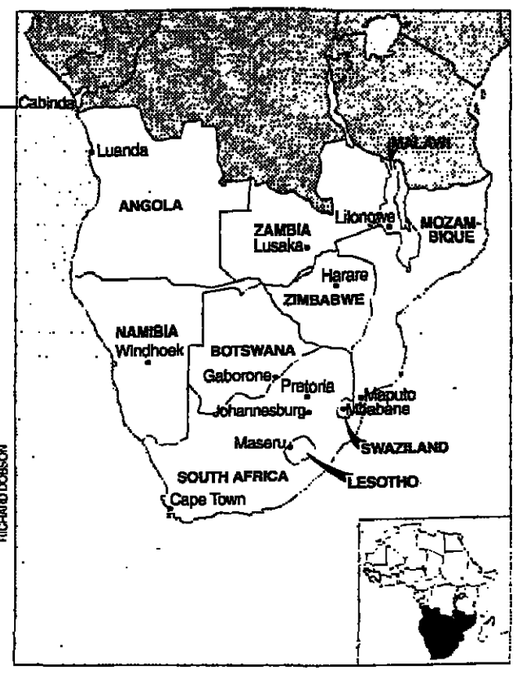
SOUTHERN AFRICA

Three faces of Southern Africa's new dynamism: the financial center of Johannesburg in South Africa; the opening of the Lesotho water project, one of the world's great engineering feats, earlier this month; and information technology in Botswanan telecommunications.


RICHARD DOBSON


RICHARD DOBSON


RICHARD DOBSON



PARTICIPATING IN THE RENAISSANCE OF A REGION

Southern Africa is undergoing a quiet revolution that is transforming its economic, political and social fabric.

At a function in New York on Sept. 10 last year, South Africa's vice president, Thabo Mbeki, received the Gold Medal of the Business Council of the United Nations. In his speech, he invited the world to join in what he called the renewal of Africa.

"South Africa's transition to a peaceful, multiracial democracy is an element of the African renaissance which is unfolding before our eyes," he declared.

He committed his country to a constructive role in developing the economies in the Southern African Development Community (SADC), improving competitiveness and liberalizing trade.

His vision of an African renaissance has gained credibility in the year that has passed. Democracy and peace are returning to places once considered no-go areas. Stock exchanges are opening. International businesspeople are discovering unimagined investment opportunities. After years of stagnation, the economies of the SADC are expected to maintain last year's growth rate of 6.6 percent, against only 4 percent for industrialized countries.

In addition, the two debilitating civil wars that racked Angola and Mozambique for two decades have ended. The aging president for life of Malawi, who ran that country as a personal fiefdom, has made way for a new democratic government. Namibia has been freed from the colonial rule of apartheid South Africa. And South Africa has made the peaceful transition to democracy. It is at last at peace with its neighbors after decades of festering hostility.

These changes have followed the worldwide collapse of communism, which has, in turn, put an end to the patronage of African countries by foreign powers using them as Cold War proxies.

The new reality

A new realism is creeping in. Economic development for broad social uplift is taking priority over ideology and the enrichment of political elites. To this end, mines and industries are being privatized. Fiscal and monetary discipline are being applied, corruption stamped out, exchange controls lifted, taxes reduced and programs developed to encourage investment in viable business undertakings.

Import tariffs have been reduced in line with, and sometimes beyond, the requirements of the World Trade Organization. This has led to the loss of jobs and the closure of factories, particularly in South Africa, but it is helping to improve productivity, the better to compete in global markets.

The economies of the Southern African countries have been growing at more than 6 percent a year since 1995, and prospects are good that this will continue. The Finance and Investment Sector Coordinating Unit of the Southern African Development Community reports that the foreign-exchange

Continued on page III

NEW PARTNERSHIPS IN INFRASTRUCTURE

Over 150 major projects are currently under way.

The participation of private organizations in the financing and delivery of infrastructure in developing countries, almost unknown a decade ago, has become a worldwide tidal wave. Southern Africa is no exception.

The Johannesburg-based information services group BusinessMap identifies over 150 major projects under way in the 14 Southern African Development Community countries, most involving the private sector in the provision of infrastructure, either through partnership arrangements in their various forms or, in relatively few instances, by direct privatization.

The various forms of these partnership projects between the public and private sector involve in different permutations the building, operating, training and transferring of assets — and often all four.

"Clearly," says BusinessMap's report, "the future of infrastructure is not uniform, but is varied in organizational form."

The list of projects in the conception stage is longer than the list of those that have been started, but a beginning has been made in numerous Southern African countries.

Road to Mozambique

By far the region's largest infrastructure project currently under way is the road from South Africa's Mpumalanga province to the Mozambican capital of Maputo.

The project itself — the construction and operation of the road — is probably not worth more than 1.5 billion rand ($319 million). Its greater value is the 11 billion rand that Maputo Company's chief executive officer. Dave

Continued on page II

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- *Proven mining sites; only three of Casmyn's 18 Zimbabwe gold mining properties are currently being developed where 4.6 million ounces of gold resources have been identified.*
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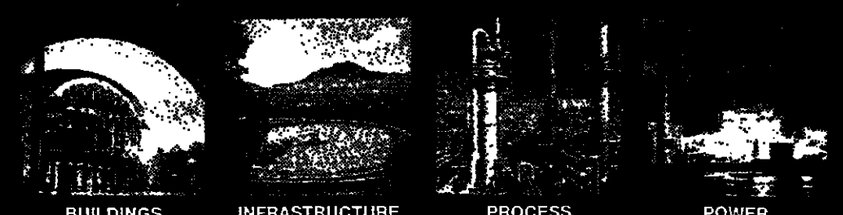
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SOUTHERN AFRICA

MOVING TOWARD REGIONALIZATION IN FINANCE SECTOR

South Africa isn't the only country in the region developing its financial markets.

Africa now has 13 stock exchanges. Of these, the Johannesburg Stock Exchange in South Africa accounts for some 80 percent of the total market capitalization and 36 percent of the number of companies listed.

Of the 13 African exchanges, eight are members of the Southern Africa Development Community (SADC). Outside South Africa, there are exchanges in Botswana, Zambia, Malawi, Mauritius, Namibia, Swaziland and Zimbabwe.

A stock exchange in Tanzania opened at the end of October with the listing of Tanzania Oxygen.

Representatives from SADC stock exchanges met this year to find ways to turn the region into an investment destination

Outside South Africa, these exchanges suffer from a shortage of scrip and skills. All are limited by lingering government controls, particularly in regard to foreign investment. But there are now attempts to change this.

Regional harmonization

Representatives from 10 SADC stock exchanges in the community met earlier this year to find ways to turn the region into an investment destination. The Botswana Stock Exchange's vice chairman, Andrew Ashton, said the aim is to harmonize listing requirements in the region, educate stock exchange members and improve regional telecommunications and bond listings. There is talk of creating a SADC equity index.

South Africa's sophisticated financial system includes three formal financial markets: the Johannesburg Stock Exchange in equities, the South African Futures Exchange in futures and options on them and the Bond Exchange of South Africa (Bondex) on bonds.

The face of the JSE changed dramatically after its version of the "Big Bang" in 1995 brought in corporate and foreign membership of the JSE, ownership of broking firms by nonbrokers, dual trading capacity, fully negotiable brokerage, automated trading, an electronic scrip registry, rolling settlement and new listing requirements.

Most visibly, major global companies have tied up with the largest local JSE brokers, which account for the vast bulk of the exchange's total turnover. Among these in South Africa are HSBC, Robert Fleming, Merrill Lynch and Deutsche Morgan Grenfell.

More crucially, deregulation has led to the breaking of numerous records. JSE turnover reached 92 billion rand ($19.5 billion) in the six months to June. Shares traded now exceed 15 percent of the JSE's market capitalization, a vast improvement for a notoriously illiquid market. This has been helped by a new electronic trading system, which makes the JSE among the most modern bourses in the world.

In terms of market capitalization, at 1.27 trillion rand, the JSE is now the 17th largest exchange in the world. The 617 shares listed make it the 13th largest in that ranking.

Last year, foreigners invested a net 5.3 billion rand in JSE equities (compared with 4.8 billion rand in 1995) and a net 3.3 billion rand in bonds (1.9 billion rand in 1995). The rate of investment has accelerated dramatically this year, to 19.3 billion rand on the JSE and 19.6 billion rand on Bondex in late October. This year, foreign investment accounts for 13 percent of JSE trade and 24 percent of Bondex trade.

Outside South Africa, Namibia's stock exchange, started in 1992, is Africa's second-largest exchange by market capitalization ($36.9 billion). Shares listed on the JSE, however, make up the bulk of the NSE's market capitalization, with De Beers and Standard Bank accounting for a combined 55 percent.

With 67 companies on its board, compared with the NSE's 31, Zimbabwe has the second-largest number of firms listed among SADC exchanges, followed by Mauritius with 40.

The most liquid of all the SADC exchanges is Botswana (30 percent), which has 12 shares listed, worth $493 million. The most illiquid market is Swaziland, where the five firms traded $300,000 in the first six months of this year.

Futures markets

Out of 67 international futures and options exchanges, Safex is the 26th-largest in terms of volume. The 9.3 million contracts traded in 1996 represent 4 percent of the trade on the Chicago Board of Trade, the world's largest futures exchange.

Safex's agricultural markets division trades futures on beef (introduced in July 1995), potatoes (October 1995) and white and yellow maize (February 1996). In November, futures trade on wheat contracts will start, as will trade in options on maize. No metal contracts are offered, but this is under investigation. Outside South Africa, there are no African futures markets. The nearest are tea and coffee forward contracts in Zimbabwe and Kenya.

Much of the region's ability to expand its financial markets and attract investors hinges on foreign-exchange controls. This includes South Africa, which has adopted a phased approach to abolishing foreign-exchange controls, starting with the abolition of the financial rand system in March 1995. Since July 1995, financial institutions have been allowed to invest abroad if the investment is countered by a foreign investment in South Africa. By May, approvals had reached some 40 billion rand.

Simon Segal



TOM STODDART/REA

Foreign investment accounts for 13 percent of trading on the Johannesburg stock exchange.

GOVERNMENTS BEGIN TO PLAY THE CARD OF PRIVATIZATION

Part of the process of economic opening in the region of Southern Africa has been the selling off of state-owned businesses.

The Zambian government, Africa's leader in privatization, sold 20 state-owned businesses in 1992-94, 48 in 1995 and 78 last year.

It is now negotiating its biggest sell-off to date, which would also be the biggest privatization ever for the continent as a whole: that of the Zambian Consolidated Copper Mines (ZCCM), which analysts value at around $2.2 billion.

This must be seen in the context of estimates by the publication Emerging Markets Investor, which reported in May this year that total privatization deals in the entire African continent came to not more than $1.7 billion last year. The figure could rise to $3.5 billion this year, however.

In Malawi, Sucoma Sugar is up for sale, and the government is seeking partners for various ventures of the Press Corporation

Before nationalization in the 1960s, ZCCM was the world's fourth-biggest copper producer, with production of 720,000 tons a year. It is now in financial difficulties and is in 12th place worldwide, with production of 327,000 tons last year.

Foreign suitors

Among the contenders for a stake in ZCCM are the Canadian company Noranda Mining and Exploration, South Africa's Anglo American (which started copper mining in Zambia and was the dominant player before nationalization) and Phelps Dodge Mining of the United States.

Parts of ZCCM will probably be allocated to each of the private buyers, and separate companies could be listed on Zambia's stock exchange, with between 5 percent and 10 percent of the equity going to Zambian investors. Zambia's privatized Chilanga Cement was the first company listed on that country's newly established stock exchange.

Other important Zambian privatization deals include the sale of 70 percent of Zambia Sugar to the British group Tate & Lyle and the Commonwealth Development Corporation for $50 million, and 70 percent of Zambia Oxygen to South Africa's African Oxygen for $60 million.

The biggest privatization in Africa actually achieved to date and also the biggest single investment in South Africa since democratization was the acquisition by the U.S. company SBC International and Telekom Malaysia of 30 percent of the state-owned telecommunications company Telkom for $1.3 billion.

Some analysts point out that the transaction does not deliver the full benefits of privatization. The government still holds the controlling share in Telkom, which enjoys a guaranteed monopoly for some years to come and can set tariffs without fear of being undercut by competition.

South Africa has fully privatized several government-owned radio stations by selling them to approved business partnerships between emerging black businesspeople and white-run media groups. Other minor government businesses have been sold, but none has so far been listed on the stock exchange.

The South African government owns a huge chunk of the economy, but trade unions that have a political alliance with the governing party, the African National Congress (ANC), fear that privatization may destroy jobs. Future major privatizations may therefore follow the Telkom model.

Next up for sale

The next big candidate for privatization is South African Airways. In Malawi, Sucoma Sugar is up for sale, and the government is seeking partners for various ventures of the Press Corporation, a government-owned conglomerate with control of companies in most business sectors.

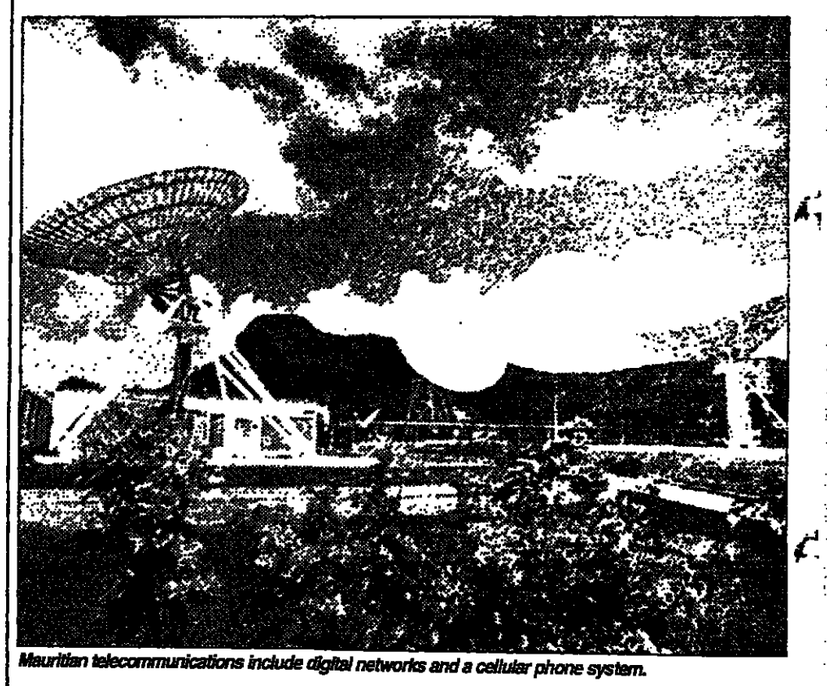
The Zimbabwe government has been talking about privatization, but delays in starting the process seem to some to be frustratingly long. In Lesotho and Swaziland, each with a gross domestic product of about $1 billion, opportunities are more limited. Privatization opportunities do exist in Namibia and Botswana: Botswana's small regional airline may be put up for sale.

Kathryn Nankivell-Boyd, a general manager at South Africa's Standard Corporate and Merchant Bank, says it appears that the governments of these countries do not feel much pressure to privatize, as their economies are relatively healthy.

Privatization has taken place in Mozambique in the sense that hotels and other businesses confiscated by the post-independence communist government have been leased by the government to private operators. More government-owned business — involved in activities such as fishing, retailing, banking and tourism — may be dealt with in the same way.

Angola, whose formerly communist government is also making the transition to capitalism, has announced its intention to privatize water-supply facilities.

C.V.K.



Mauritian telecommunications include digital networks and a cellular phone system.

INFRASTRUCTURE PARTNERS

Continued from page I

Arkwright, estimates has been committed to the Maputo development corridor. This includes an aluminum smelter, casinos and other tourism projects. He adds that another 15 billion rand is expected to be approved soon, and that total investment could be 10 times what has already been committed.

Benefits of cooperation

Such projections, even if not fully realized, dramatically demonstrate the benefits of regional cooperation in the provision of infrastructure, both between the private and public sector and between states.

Transport and telecommunications dominate BusinessMap's list of infrastructure projects. Partnership arrangements in the construction of toll roads are becoming the standard mechanism of provision. Outside South Africa, most of the region's countries have started with cellular telephone projects. This is true in Namibia, Tanzania, Zimbabwe, Mauritius and Mozambique.

Other projects that have been implemented are Angola's rehabilitation of the Benguela railroad line and a water and sanitation project, electricity/gas projects in Tanzania and Zimbabwe and the rebuilding of Tanzania's Mombasa port.

In South Africa, besides the Maputo corridor, another project being implemented is the 200 million rand to 300 million rand water and sanitation project in Mpumalanga. The 2 billion rand upgrading of parts of the Johannesburg-Durban road is out to tender.

BusinessMap notes that there are at least six multistate projects involving governments in cooperative ventures: the South Africa-Namibia power line interconnection, the Beira iron ore infrastructure (South Africa and Mozambique), Africa-One Fiber Optic Cable (virtually all the region's countries), the Zambezi Toll Bridge (Zambia and Zimbabwe), the Beira corridor road (South Africa and Mozambique) and the Maputo corridor (South Africa and Mozambique).

BusinessMap's report notes: "Partnership projects in infrastructure are proving slow to initiate, and are still viewed with some suspicion in many of the region's economies." But, it adds, there is growing acceptance about the efficiencies that these partnership projects can lead to.

"Exposure to market forces is expected to encourage a leanness, a meanness and an attention to the needs of consumers which has in other contexts been realized," the report continues. "A key area of efficiency is the attention to and careful management of risk which has become the hallmark of partnership projects. While local governments are by their nature protected from many of the risks associated with service delivery, a consortium of service providers is exposed to them in all their detail."

Simon Segal



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SOUTHERN AFRICA

INVESTMENT: NOW A TWO-WAY STREET

As multinationals move into the region, local businesses are also reaching across borders.

The news of Southern Africa's political and economic reforms is out. It is attracting droves of what locals call "LSD" visitors, that is, those who come to look, see and decide on whether or not to invest or at least set up sales and distribution operations.

Cees Bruggemans, chief economist of the South African First National Bank, warns potential investors that some markets are smaller than they may at first imagine, but that there are good returns to be made in selected niches.

The total gross domestic product for the 10 Southern African countries of Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, South Africa, Zambia and Zimbabwe comes to $157 billion. Per capita GDP ranges from $3,583 for Botswana and $3,323 for South Africa, the highest among these countries, to $90 for Mozambique. These rates are still low compared with fast-developing economies such as Mexico ($8,690), Malaysia ($9,644) and Thailand ($6,801).

The main conduit

Most overseas investment goes to South Africa. Its infrastructure and banking, manufacturing, trading and services sectors make it a leading business base for the region.

Black & Veatch, a multinational group that designs, builds and commissions infrastructure, recently opened an office in South Africa. It is involved in a water transfer project in Botswana using glass reinforced plastic pipes made in Botswana by the U.S. company Owens Corning at a plant it recently built there. Paddy Padmanathan, chief executive of Black & Veatch Africa, says his company is also involved in road building in Zambia; projects on roads, water and waste disposal in Swaziland; and feasibility studies on power generation in Zimbabwe and Namibia.

Multinationals recently making big direct investments into South Africa, adding to existing investments or establishing South Africa as an African base, include IBM, Toyota, Sony, Nissan, Coca-Cola, McDonald's, BMW, Volkswagen, Mercedes-Benz, Ford, Bridgestone, Hyatt, Hilton International, Daewoo and Microsoft.

Casmyn Corp. of Canada, which in 1996 acquired 18 gold mines in the Bubi Greenstone Belt in Zimbabwe, has invested over $30 million in the development of its two main mines. Says Amyn S. Dahya, Casmyn's chairman and chief executive officer: "When we came into the Bubi area, it was relatively quiet, and the number of job opportunities was limited. To date, we have created over 1,000 direct and indirect jobs, and that figure is expected to double over the next three years."

The Malaysian oil company Petronas has bought a 30 percent stake in Engen, a large South African oil company, and Dow Chemicals is purchasing a large local chemicals company, Sentrachem.

Foreign banking and stockbroking groups recently setting up shop in South Africa include ING Barings, HSBC, NatWest, Deutsche Morgan Grenfell, SBC Warburg, Société Générale and ABN Amro.

Projects with foreign involvement in the region outside South Africa in various stages of planning and implementation include iron and telecommunications in Angola; cellular telephony, tourism and mining equipment in Botswana; agribusiness, tourism, manufacturing and mining in Malawi; road making, agribusiness, natural gas, transport, trade and tourism in Mozambique; fishing, tourism, construction, oil and gas in Namibia; agribusiness, construction and manufacturing in Swaziland; manufacturing, mining and agribusiness in Zambia; and agriculture, manufacturing and mining in Zimbabwe.

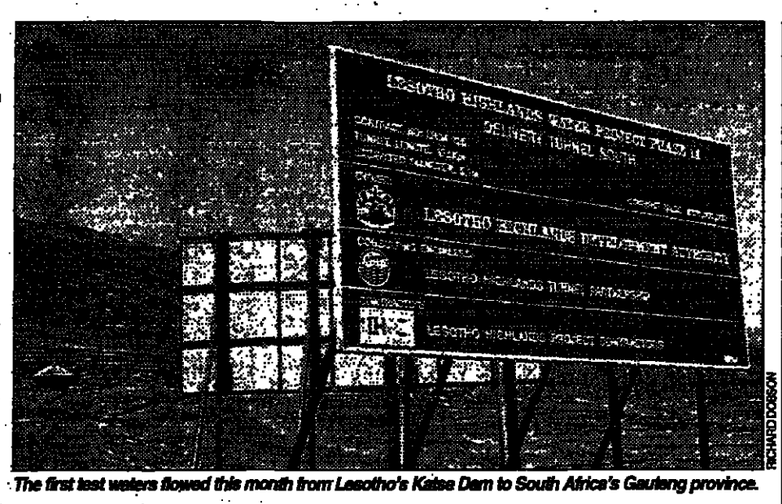
Several international construction companies are partners with South African companies in consortia building the multibillion-dollar Highlands Water project to supply water from Lesotho to South Africa. The Korean group Hyundai's plant to assemble up to 60,000 vehicles a year is nearing completion in Botswana.

Since the advent of democracy to South Africa, its companies have lost no time in expanding beyond the country's borders. South African Breweries, the world's fourth-biggest beer producer, now has breweries in most other countries in Southern Africa as well as several others farther north. South African restaurant chains and retailers, such as Pep Group and Protea Furnishers, are implementing expansion plans throughout the region.

The South African-owned mining groups Gencor, De Beers, Billiton, Anglo American, Goldfields of South Africa and Anglovaal are prospecting for and mining metals and minerals throughout Africa. Energy Africa and South Africa's giant synthetic fuels and chemicals company Sasol are searching for oil and gas.

"Where our customers go, we go," says Tony Wright, general manager of Standard Bank of South Africa's African banking group, which employs about 4,000 people in 14 African countries outside South Africa. His division concentrates on providing services to corporate clients. It is also advising African governments on privatization.

C.V.K.



RICHARD DOBSON

The first test waters flowed this month from Lesotho's Katse Dam to South Africa's Gauteng province.

TELKOM SALE: TEMPLATE FOR THE FUTURE

Telkom lies at the center of South Africa's telecommunications industry. Besides being the only licensed operator of South Africa's fixed-line telephone network, Telkom additionally owns half the equity in Vodacom, one of its two cellular network operators.

With such a presence, Telkom will remain the determinant of investment activity in the telecommunications sector over the next few years. Even the granting of any third cellular phone license, while still a sizable potential investment, will be small compared to Telkom's massive investment plans and the opportunities this presents to suppliers and other contractors.

30 percent stake

In a consortium called Thintana Communications, the U.S.-based SBC Communications and Telekom Malaysia in April paid $757 million and $500 million for their respective 18 percent and 12 percent stakes in Telkom. These are the two largest foreign investments in South Africa since the national elections of 1994. Perhaps of greater significance is the management expertise and technology that accompanies the 30 percent stake.

Of the total $1.27 billion tab, $260 million goes to the government to retire some of its debt. The remaining $1 billion will be used to finance Telkom's Vision 2000 project, which, at a revised estimated cost of 53 billion rand ($11.2 billion), aims to install 2.8 million lines and 120,000 pay phones as well as upgrade 1.2 million lines over the next five years.

Telkom retains its fixed-line monopoly over this period, with an option to extend it another year. Thereafter, it could well be listed on the Johannesburg Stock Exchange.

Investing in human resources

This capital expenditure program calls for 2.3 billion rand to be spent on training and human-resource development focusing on the empowerment of blacks. A further 10 percent of the equity of Telkom — valued at 1.86 billion rand at the time of the deal — is also to be earmarked for black empowerment.

Telkom's partial privatization establishes important parameters for future sales of South Africa's state assets. In particular, the deal adheres to the government's policy of granting high priority to three specific areas when selling state assets: the redemption of state debt, the recapitalization of public enterprises and the broadening of economic participation. In its 1996-97 financial year, Telkom's attributable profit rose 61 percent, to 1.9 billion rand.

S.S.

PARTICIPATING IN THE RENAISSANCE OF A REGION

Continued from page I

reserves of its members have strengthened. This ranges between about 40 months of import cover for Botswana to about eight weeks for South Africa.

While double-digit inflation was previously the norm in the region, more than half of the SADC countries had inflation of less than 10 percent in 1996. Indications are that inflation has declined further. South Africa's inflation is expected to fall below 7 percent next year. With the exception of Zimbabwe and Swaziland, SADC countries had government budget deficits of less than 6 percent of their gross domestic products in 1995.

The normalization of relations between countries in the region since South Africa's transition to democracy has had economic benefits. First, South Africa has been admitted into the SADC — a turnaround, since the predecessor of the SADC was originally formed by countries in the region as a self-defensive bloc against South Africa.

South Africa's membership in the SADC and its full participation in the economy of the region is essential. South Africa's gross domestic product for 1996 of $126 billion is equal to four-fifths of the total GDP of the SADC countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, South Africa, Zambia, Zimbabwe, Tanzania and Mauritius.

South Africa has a relatively well-developed infrastructure and world-class business skills in some sectors. South Africans' familiarity with African conditions often enables their businesses to operate more effectively in the region than developed-country multinationals. The Zambia Investment Center reports that South Africa has pledged total investment in Zambia of $180 million, overtaking the United Kingdom, which has total pledged investments of $123 million.

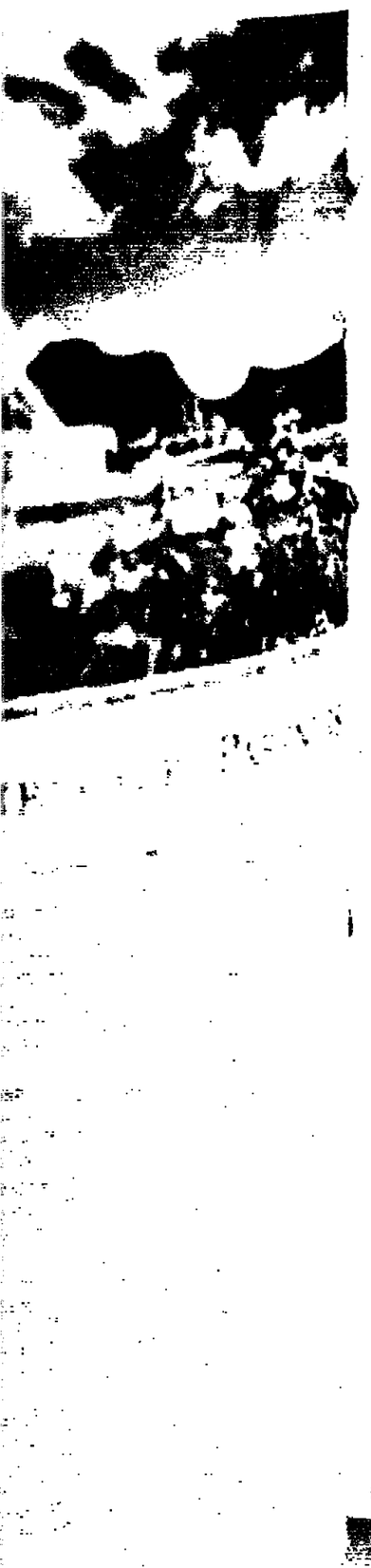
South African businesses that are setting up shop in the region will help to spread needed skills in mining, agriculture, beer brewing, business management, medical and veterinary services, road building, banking, retailing, transport and electricity generation. South Africa's seaports and its road and rail infrastructure link six landlocked countries in the region to the outside world (Lesotho, Swaziland, Botswana, Zimbabwe, Zambia and Malawi).

With the demise of sanctions against South Africa, these links can now be used fully, with a consequent reduction in the costs of trade. Other links to the ocean through Angola and Mozambique can also be restored now that the civil wars in these countries have ended.

Namibia is increasing the capacity of its deepwater port of Walvis Bay, which will be linked by the Trans-Kalahari highway through Botswana to Johannesburg in South Africa and by another highway to Zambia.

"It remains to be seen whether many African nations will succeed in their bold experiment to combine democratization and economic reform," said Susan Rice in her swearing-in speech as the U.S. assistant secretary of state for Africa last month. All that can be said is that conditions in Southern Africa for realizing Mr. Mbeki's African renaissance have never been more favorable.

Curt von Keyserlingk



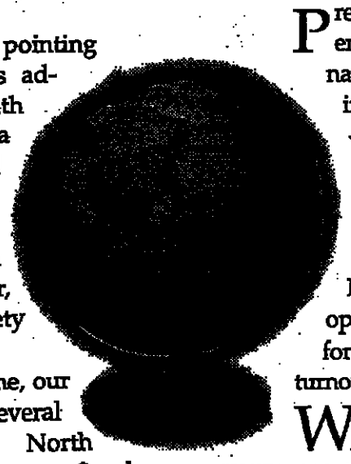
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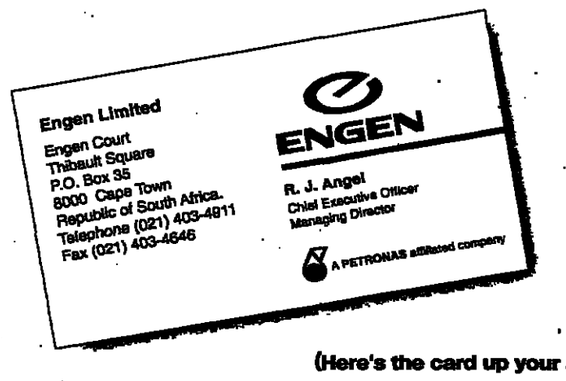
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SOUTHERN AFRICA

TOURISM: THE GREAT UNCHARTED TERRITORY

Southern Africa has one of the most underdeveloped potentials for tourism in the world.

The governments of several Southern Africa Development Community countries are beginning to realize that tourism could be a savior of their economies. While basic tourism attractions exist, in many cases facilities to permit their enjoyment by sophisticated customers are lacking.

Governments are devising, and in some cases implementing, plans to exploit these natural resources. This is providing investment opportunities for operators from all sectors of the tourism and transport industry.

Tourism to Namibia and Zimbabwe is surging at present, say travel agents and transport operators. The unspoiled natural beauty and the vast game parks of both countries were the almost exclusive preserve of well-heeled minorities in the region before Zimbabwe's independence from Britain in 1980 and Namibia's independence from South Africa in 1989.

The number of foreign visitors to both countries started to pick up after independence, but then came South Africa's first democratic elections in April 1994, which captured the attention of the world. Namibia's tourism growth marked time. International interest in South Africa and its politics was at a peak, and the self-enforced boycott by many foreigners of all things South African was lifted.

Leaps and bounds

After decades of stagnation, overseas arrivals of foreign tourists in South Africa increased during that year by 14 percent, to 704,630. Arrivals grew by 52 percent, to 1.1 million, in 1995, and by 9 percent, to 1.2 million, in 1996. The most recent figures available show that foreign tourists arriving by air in South Africa for the months January through August this year to be 17 percent higher than the figure for the corresponding period last year.

Arrivals in the month of August this year were, however, lower than in August last year, and the drop-off appears to have continued since then. An executive of Unitrans, one of South Africa's largest road transport operators, says it is partly because South Africa's political novelty is wearing off and more conventional tourist attractions are regaining popularity.

Pallo Jordan, South Africa's minister of tourism, has set a target of 2.2 million foreign tourists for the year 2000. It is hoped that they will generate foreign-exchange earnings of 23 billion rand ($4.8 billion). This would make tourism South Africa's greatest single earner of foreign exchange.

Mr. Jordan's target appears ambitious to some, but tourism worldwide is the world's biggest single earner of foreign exchange, and South and Southern Africa have some of the world's leading tourism attractions.

The South African Tourism Board (Satour) states that tourism accounted for about 10 percent of the world's gross national product in 1996, but that the comparable figure for South Africa was about 3.6 percent. The figures for other Southern African countries are for the most part even further out of line with world trends.

A positive sign for tourism is that the South African government recently secured the services of one of the country's most prominent industrialists, Meyer Kahn, as chief executive of the country's national police force for two years. Mr. Kahn is a no-nonsense manager who also happens to preside over a chain of hotels and tourism resorts in the region. He has every reason to make a success of his assignment to improve law enforcement.



RICHARD DOBSON

Visitors take in Zimbabwe's Victoria Falls from the vantage of Danger Point.



RICHARD DOBSON

Impala in South Africa's Kruger National Park, in the east Transvaal.

The region has a stunning array of tourist delights: pristine beaches, snowy mountains, steamy jungles, thundering waterfalls, endless savannas, mysterious deserts and continental urban sophistication, not to mention Africa's wildlife. Some Southern African nature reserves are bigger than small countries, and although their wildlife has been well cared for, their tourism potential has been neglected.

It takes some time to change old mindsets, but some imaginative projects have been completed or are on the drawing boards to exploit the region's natural resources without exhausting them.

By raft, bike and ski

Apart from conventional sightseeing and game-spotting, visitors may chose from a wide range of activities, including one of the highest bungee-jumps in the world against the backdrop of the awesome Victoria Falls, whitewater rafting on the Zambesi River, windsurfing the tradewinds and surf of Blouberg, sailing on the inland sea of Lake Malawi, cruising the waterways of the Okavango Delta in a *mokoro* dugout canoe, pony trekking through the mountains of Lesotho, hiking in the Fish River Canyon, deep-sea fishing off the Namibian coast, snow skiing on Ben Macdhui, scuba diving among the coral reefs of Kosi Bay, hang gliding from the Magaliesberg mountains, surfing the waves at J Bay, mountain biking through the Knysna forests or rock climbing and exploring for Bushman paintings in the mighty Drakensberg.

C.V.K.

Southern Africa Trade & Investment Summit

Botswana, November 18–19, 1997

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TRADE AND INVESTMENT SUMMIT

Business and political leaders will gain insight into the extraordinary changes in the Southern Africa region at the Trade and Investment Summit convened by the International Herald Tribune in Gaborone, the capital of Botswana, on Nov. 18 and 19.

Attended by no fewer than six heads of state from the region, the conference will feature as speakers leading businesspeople who are already active in the region, cabinet ministers, diplomats and civil servants.

The keynote address will be delivered by President Ketumile Masire of the Republic of Botswana. Other speakers include Nico Czypionka, group economist at Standard Bank of South Africa; Kaire Mbuende, executive secretary of the SADC; Christo Wiese, a South African banking and retailing tycoon; Bryan Lemar, general manager of the U.S.-owned Owens Corning; and Valentine Chitalu, chief executive officer of the Zambia Privatization Agency.

Also at the rostrum will be Derek Hanekom, minister of agriculture in South Africa; Francis Yeoh, managing director of YTL Corporation Berhad of Malaysia; and Almorie Maule, general manager of strategic initiatives at Engen.

Lord Steel of Aikwood, formerly leader of the Liberal Party of Britain, will speak on building business confidence in the region. Eduardo Aninat, minister of finance in Chile, will speak on lessons for Southern Africa from Chile's economic success. John Battle, Britain's minister for science, energy and industry, and Sally Miller, director of the Africa office in the U.S. Department of Commerce, will speak on increasing interregional trade and investment.

Discussion sessions on the future of SADC will be held between delegates and the presidents of Zambia, Mozambique, Botswana, Zimbabwe and Namibia. Other discussion sessions on mining, manufacturing and tourism will be held with senior executives from these industries in the region.

C.V.K.

CO-DEVELOPMENT PROJECTS

South Africa is pursuing cross-border energy and transport plans.

South Africa's state-owned Industrial Development Corporation is breaking with tradition to back massive projects in neighboring countries. On this score, it has been accused by some of neglecting the principle that charity begins at home, but the IDC's chief executive officer, Khaya Ngqula, points out: "Our projects in neighboring countries are there because they make economic sense."

The biggest is the Mozal project, in which the IDC and South Africa's multinational minerals giant Billiton propose to erect a $1.12 billion state-of-the-art aluminum smelter in Mozambique. Its entire production would be exported, and its production costs would be among the lowest in the world.

The IDC and Billiton are prepared to each put up 25 percent of the financing, and they are looking for international partners to provide the rest. Billiton already operates one of the world's biggest and most modern aluminum plants in South Africa.

Larger applications

Electric power is a major cost of aluminum production. The project would help justify expansion of Mozambique's hydroelectricity production for the benefit of the economy as a whole.

Another IDC project involves using magnetite from South Africa and natural gas from Mozambique to produce steel at a plant near the port of Maputo, Mozambique. The magnetite comes from a large South African copper mine not far from the Mozambique border, but it has not been beneficiated into steel for want of a suitably priced fuel. This is now available following the recent discovery of Mozambique's Pande gas field.

The IDC is currently investigating the best way to transport the magnetite to Mozambique without disturbing the environment around South Africa's famous Kruger National Game Park. Preliminary agreements on the supply of gas have been signed with the multinational group Enron, and a final decision to proceed is expected before the end of the year.

The IDC is studying projects for fertilizer production in Mozambique, iron and steel in Zimbabwe, agribusinesses in Namibia and various small business initiatives in Lesotho.

Linking coasts by road

South Africa shares borders with six Southern African countries, four of them landlocked. This makes the good transport links between South Africa and its neighbors essential for the region's economic health.

Rail connections are good, but two ambitious road projects will for the first time provide a direct, all-weather highway to link the Atlantic and Indian Ocean coasts of Southern Africa.

The Trans-Kalahari Highway, now more than halfway complete, begins at Namibia's deepwater port of Walvis Bay on the Atlantic Ocean and proceeds eastward across Namibia and through the Kalahari desert in Botswana before joining existing roads in South Africa that lead to Johannesburg.

Cargo off-loaded in Walvis Bay from ships arriving from Europe and the Americas will reach Johannesburg days earlier than if it were off-loaded in South African ports farther south, as is the case now.

The benefits of this are obvious, as are those of bringing a highway to regions previously deprived of good roads. Johannesburg already has good road links to the Indian Ocean port of Maputo in the east, but they are becoming crowded. The growing traffic justifies the so-called Maputo Corridor, a new toll highway to be surrounded by a ribbon of industrial development. It is one of the country's biggest capital projects now being tackled.

The highways are expected to help integrate the economies of the four countries involved, as well as to provide better access to seaports for other countries in the region.

Power sharing

Other examples of cooperation include electricity supply agreements that will allow utilization of the region's generation capacity to be optimally utilized across borders, and a new initiative to establish a regional settling house. The latter project is supported by the World Bank on the grounds that it will promote trade within the region.

The Southern African Development Community (SADC) is a group of 11 nations in Southern Africa and Mauritius, the Indian Ocean island state. The SADC's total population is 150 million. Its members signed a protocol last year to form a free-trade area within the next eight years. Businesspeople welcome it, but they point out that it took the European Union some 40 years to achieve a common external tariff structure. They also caution that effective control of all points of entry into the SADC region is needed to prevent the importation of goods on which duties have been evaded.

C.V.K.

صكذا من الأصل

AIR CANADA
A BREATH OF FRESH AIR

Herald International Tribune

BUSINESS/FINANCE

MONDAY, NOVEMBER 17, 1997

AIR CANADA
A BREATH OF FRESH AIR

CYBERSCAPE

The Computer World Comes to Las Vegas

Comdex: A Look at the Latest Gadgets

By Paul Floren
International Herald Tribune

LAS VEGAS — The world's largest computer show, Comdex 97, opens here Monday for a five-day flurry of new computer hardware, Windows products, networking tools and Internet applications.

The show this year includes more than 2,100 exhibitors parading 10,000 new products for an expected 215,000 attendees from 40 countries, and these are some of the products expected to attract attention.

• **Microsoft Corp.** hopes the market for its Windows CE software will grow as a host of second-generation devices based on the newest version of its operating system for small devices is unveiled. A number of companies are introducing portable devices based on Windows CE 2.0.

By this time next year, Microsoft hopes to expand the operating system's reach to devices that would allow users to surf the Internet with their television sets, officials at the company say. The company is also reportedly working with Sega Enterprises Ltd. on a CE-based game machine.

COMDEX INTERNET

Hewlett-Packard Co. and Philips NV last week rushed out new and slightly souped-up versions of their hand-held computers featuring CE 2.0. For Comdex, several other major players, including Casio Computer Co., Hitachi Ltd., NEC Corp. and Sharp Corp., are also expected to showcase new CE mobile devices. For such companies as NEC and Hitachi, expanding the Windows CE market is crucial: Both companies also supply the processors behind most of the CE devices on the market.

• **Novell Corp.** will be showing off the latest in networking software. Novell has created the world's largest live single-directory network featuring more than 250 terminals throughout the Comdex exhibit floors. Every attendee will have their own Comdex user account. Access is easy, instantaneous and should prove indispensable for all attendees for scheduling and messaging purposes.

For those who want to get some work done after show hours or before the show floor opens — access is just as easy. Through a special dial-up service, you can access e-mail and the Web, and even scan event calendars for show information and news, right from your hotel room.

• **Security Software Systems Inc.** claims that its two new programs will put a stop to employee abuse of corporate networks once and for all. Cyber Sentinel for single users, and Sentinel One System for networks, actively screen for pornographic material, predatory activity and illegal attempts to gain access to proprietary and confidential information by unauthorized users.

These programs can actively screen browsers, e-mail, word processors, spreadsheets and chat rooms for inappropriate discussions or access to information that is against corporate computing and language policies.

Many companies say they have serious problems with employees misusing their corporate network and Internet connections. Twenty-eight percent of companies say they have problems with improper use of the Internet (such as downloading pornographic material), 18 percent report problems with internal theft or fraud, 13 percent complain of problems with breaches of network security, and 5 percent say they have problems with threatening behavior, according to a survey by Security Software Systems.

• **Sony Corp.** is once again displaying the latest in optical disk storage. Last year, it was the Digital Video Disk, or DVD, CD-ROM drive. This year, Sony says it has developed a high-capacity optical disk that can record pictures and sounds for four and half hours on a single side. The product, which uses a disk as big as a normal CD, can be erased and reused and stores 12 gigabytes of data on one side, 17 times as much as conventional CDs can. A gigabyte is one thousand megabytes.

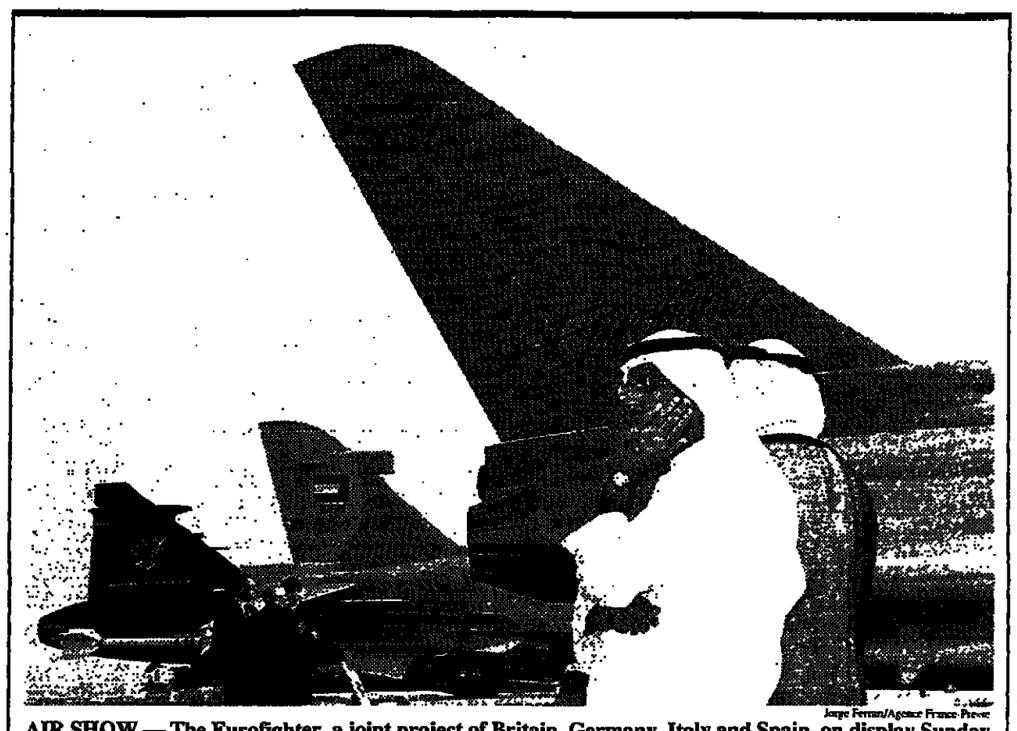
Sony is developing a recorder for the optical disk, and hopes to commercialize the product by 2000. The optical disk is not compatible with digital video disks.

• **Amacom Technologies PLC** brings us one step closer to a world without cables. The British company is presenting a product called the flipdisk, which it says is the first truly portable hard drive on the market. Barely larger than an audio cassette tape, it has a capacity of 6 gigabytes. Copy the files you need for the road, and leave your portable behind.

The flipdisk has a card that unfolds and plugs directly into any portable, doing away with connecting cables. The flipdisk takes its power directly from the portable, eliminating the need for an external power source or power cables. The product will be available next month for $575. Its data transfer speeds and access speeds are as fast as internal hard drive speeds.

Internet address: CyberScape@iht.com

• *Recent technology articles: www.iht.com/IHT/TECH/*



Jorge Ferran/Agence France-Presse

AIR SHOW — The Eurofighter, a joint project of Britain, Germany, Italy and Spain, on display Sunday in Dubai, United Arab Emirates, where it is competing for a contract with the F-16 and the Rafale.

Airbus's Orders Fly to a Record High

Bloomberg News

TOULOUSE, France — Only once in its 28-year history — in 1994 — has Airbus Industrie sold more planes than its arch-rival Boeing Co. Even Airbus executives admit that that victory was meaningless, coming in the industry's worst sales year in decades.

Now, the European upstart is within reach of repeating its feat. This time, with industry sales booming, victory would be impossible to write off as just luck.

Airbus's new orders are outpacing Boeing's by 425 to 415 with only six weeks left in 1997 — the best year ever for the consortium. As a result, Airbus's goal of a consistent 50 percent market share by early in the next decade seems plausible for the first time.

"It's clearly been a great year for Airbus," said Keith McMullan, managing director of the London-based consultancy Aviation Economics.

Boeing representatives declined to not discuss the European lead. "We're focusing on our business, not theirs," a spokeswoman, Janice Hayes, said.

Winning the order championship in a banner year carries psychological weight for Airbus, which still suffers from a stigma among conservative airlines.

First place would also help Airbus tap capital markets for future projects as it loses government funding, and a greater market share would cut the consortium's costs, Nick Cunningham, an analyst at Salomon Brothers in London, said.

As the end of the year approaches, industry executives say both Boeing and Airbus are negotiating furiously to win airline orders and become No. 1. Some say both companies are "stockpiling" orders to announce them as late-December surprises.

Whoever wins the title, Airbus is having a banner year during a time of costly production delays for its rival. Boeing is having trouble replacing workers it laid off during the doldrums of the early 1990s, while Airbus assembly lines are humming. European labor laws make layoffs difficult, penalizing Airbus in lean times but keeping teams intact for fat years.

Nevertheless, Boeing remains a formidable competitor with a firm grip on the U.S. market, the world's largest.

Germans, in Switch, Support the Euro

By John Schmid
International Herald Tribune

FRANKFURT — Two new opinion polls suggest that German opponents of European currency union recently have shrunk to a minority.

According to the weekly newsmagazine Focus, which published the surveys, the new single currency, the euro, has won converts.

A poll by the mainstream Allensbach Institute found that 55 percent of Germans supported the euro and 45 percent opposed it. That marked a reversal from another Allensbach poll in May, when only 21 percent voiced support and 52 percent opposed it.

Chancellor Helmut Kohl's government commissioned the poll by Allensbach, one of Germany's oldest and biggest polling agencies. Although officially independent, Allensbach historically has been seen as supportive of the center-right Christian Democratic Union headed by Mr. Kohl.

A separate poll of 3,500 Germans by the Bonn-based Konrad Adenauer Foundation, which has direct ties to the Christian Democrats, found opposition to the project falling to 45 percent from 63 percent a year ago, Focus reported in an article released ahead of its publication Monday. The Adenauer Foundation also found that 90 percent of the respondents were convinced that monetary union would occur.

"The breakthrough to acceptance has come," the Adenauer Foundation's chairman, Guenter Rinsche, said.

Mr. Rinsche attributed the change to a growing view that the euro has a chance to be as sturdy as the Deutsche mark, the symbol of Germany's postwar economic miracle.

Seoul Holds To Plan on Reform Bill

Central Bank Employees Keep Up Their Protests

By Don Kirk
Special to the Herald Tribune

SEOUL — Government officials said Sunday they were determined to pass a package of financial reform measures despite the strenuous opposition of central bank employees.

The governing New Korea Party said it believed it had the votes to get the package of 13 bills through the national assembly by Monday or Tuesday despite nonstop demonstrations by employees of Bank of Korea.

"The government will announce measures on bad debts," said Kim Jung Il, counselor to Kang Kyong Shik, the deputy prime minister and finance minister responsible for the reforms. "We need to do something on the banks. These measures will provide an institutional setup within which the government can act."

More than 1,000 Bank of Korea workers demonstrated for the third day Sunday, charging the reform effort would strip the bank of its powers.

The bank employees pledged to launch a mass protest strike if Parliament passed the reform bills.

The centerpiece of the program is a plan to establish a single agency to supervise all financial transactions, ranging from banking to securities to insurance.

The government has blamed the overlapping roles of the three existing watchdog bodies for aggravating South Korea's current financial turmoil, which was deepened by a string of corporate insolvencies and the won's slide against the U.S. dollar.

But the central bank union and many economists have accused the government of seeking to tighten its control under the pretext of market stabilization.

The government has linked the financial-reform measures to a "stabilization program" that it says it will present by Tuesday to hold the won to a level of no lower than 1,000 to the dollar.

Foreign bankers welcomed the government's moves to shore up its economy as long overdue.

"They should have a financial reform bill which will address excessive investment and excessive borrowing," said Alain Bellisard, president of the European Chamber of Commerce and manager of the Societe General branch here. "They have offered a reform bill which will show the right and fundamental issues are being addressed."

A sign that the reforms may be delayed, however, was that the plan does not call for restructuring financial institutions until April. The government wants to wait until then, a spokesman said, to be sure that financial stability has returned to the stock market as a result of the reform bills.

Trans-Atlantic Traders Try to Set Common Rules

By John Tagliabue
New York Times Service

ROME — The heads of some of the world's largest tiremakers, including Goodyear Tire & Rubber Co., Pirelli SpA and Michelin, sat together last week in a Rome hotel to talk tires.

Antitrust officials might have suspected the executives of setting prices for, say, next season's radials. But they were here at the behest of political leaders in Europe and the United States, who are asking business leaders on both sides of the Atlantic to come up with suggestions for increasing the $2 trillion volume of trans-Atlantic trade.

The tire chiefs were among 70 or so corporate leaders, usually bitter rivals, who met with U.S. and European Union officials for two days to find areas of agreement. It was the third round of Trans-Atlantic Business Dialogue talks, after meetings in Spain in 1995 and Chicago last year.

The message that has emerged is startling in its simplicity: Trans-Atlantic tariffs, which average about 3 percent, are no real barrier to increased commerce; the true culprit is the vast array of regulations on both sides of the ocean covering everything from health and automotive safety to environmental protection.

The goal here is to eliminate duplicate regulations, cutting costs to businesses and, eventually, to consumers and firing up trans-Atlantic trade. The primary tools will be "mutual recognition agreements" under which a product or a factory that passes regulatory muster on one side of the Atlantic should automatically be accepted on the other.

Thus, if the Food and Drug Administration approves a drug for use in the United States, the drug would ordinarily be allowed in Europe, saving the drug industry the time and expense of going through two approval processes. "Reports from Europe will be sent to the FDA, with the right, of course, to reject them," said Sidney Taurel, president of Eli Lilly Co.

Some would argue that duplicate testing provides valuable protection against drugs such as thalidomide, which caused birth defects and which the U.S. agency balked at approving in 1960 even after other nations had approved it. But the drugmakers' point is that if testing is to be identical, duplication is senseless.

In part, the efforts parallel the striving in various industries to reach universally accepted standards. In Geneva, for instance, representatives of most automakers are working on a set of global standards for automobile manufacturing. But the mutual-recognition agreements go a step further.

Dana Mead, chairman of Tenneco Inc. and an organizer of this year's talks, said a big accomplishment came in June, when the United States and the EU ratified mutual-recognition agreements in five areas, including pharmaceuticals, medical devices and electromagnetic equipment. The pacts, he said, were the "most concrete results" of corporate discussions with government.

If the agreements work out after a three-year transition period, they are expected to eliminate millions of dollars' worth of duplicate testing and approval procedures and speed products' arrival on the market. This year, corporate leaders talked about uniform standards for taxation, investment and the prosecution of business corruption and bribery.

But even the most ardent proponents of the approach say theirs is a tough task.

The 15-nation European Union continues to have a highly decentralized regulatory system, with broad differences in effectiveness among member states. In pharmaceuticals, for instance, the London-based European Medicines Evaluation Agency, established in 1995, remains in its infancy.

In the United States, adherence to international standards can be complicated by independent legislative action. While most U.S. makers of industrial fasteners, devices that hold anything from an automobile fuel line to the wing of a jetliner, are subject to international standards, separate legislation on fastener safety, to take effect in May, will require additional testing and certification of European manufacturers.

"This will cost money and take time," said Frederic Roure, chairman of GFI-Industries, a French fastener maker, and head of the European industry association.

CURRENCY RATES

Nov. 14

Cross Rates

	$	£	D.M.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	Cr	Peseta
Amsterdam	1.9495	3.305	1.1273	0.3366	0.1152*	—	5.465*	1.3909	1.5389*	1.3815	1.336*
Brussels	35.7325	60.73	20.6775	6.1695	2.107*	18.30	—	25.4675	0.2821	25.34	24.45*
Frankfurt	1.7347	2.934	—	0.2986	0.1022*	0.8872	4.8486*	1.2343	1.3687*	1.23	1.1855*
London (c)	1.6951	—	2.9339	9.8255	2.871.39	2.3101	69.5134	2.3774	215.406	2.3926	247.486
Madrid	145.984	247.219	84.349	25.107	8.619*	74.835	4.0895	104.113	115.434*	103.537	—
Milan	1,695.30	2,870.00	978.50	292.31	—	867.80	47.47	1,206.68	13.487	1,203.00	11.61
New York (b)	—	1.6916@	1.7285	5.7865	1,692.00	1.9476	35.61	1.4828	125.655	1.4134	145.895
Paris	5.7964	9.8215	3.349	—	0.3422*	2.9713	0.1624	4.1339	4.9828*	4.1102	3.0765*
Tokyo	125.80	213.56	72.80	21.74	0.744	64.59	3.5397	89.72	—	89.30	0.8639
Toronto	1.4133	2.3939	0.8172	0.2442	0.0835*	0.7256	0.3969*	1.0071	1.1208*	—	0.969*
Zurich	1.4578	2.3392	0.811	0.2423	0.0829*	0.7196	3.932*	—	1.1062*	0.9944	0.9613*
1 ECU	1.1411	0.6733	1.9742	6.6122	1,932.50	2.2258	40.7704	1.5995	144.794	1.4088	166.549
1 SDR	1.3724	0.8113	2.3807	7.9534	N.Q	2.6768	49.0245	1.928	172.644	1.6984	200.325

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York and Toronto rates at 3 P.M.
*£: To buy one pound. b: To buy one dollar. *Units of 100. N.Q.: not quoted. N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	271.71	Mex. peso	8.32	S. Afr. rand	4.8635
Australian $	1.444	Hong Kong $	7.7300	N. Zealand $	1.6051	S. Kor. won	986.40
Austrian sch.	12.131	Hung. forint	195.53	Norw. krone	7.068	Saud. krona	7.5285
Brazil real	1.1075	Indian rupee	36.70	Phil. peso	33.60	Taiwan $	31.24
Chinese yuan	8.3105	Indo. rupiah	2415.00	Polish zloty	3.51	Thai baht	38.15
Czech koruna	32.82	Irish £	0.664	Port. escudo	176.34	Turkish lira	186140.
Danish krone	6.5846	Israeli shek.	3.5362	Russ ruble	5900.50	UAE dirham	3.671
Egypt. pound	3.4015	Kuw dinar	0.3029	Saudi riyal	3.7504	Venez. bolfv.	499.90
Fin markka	5.2637	Malay. ring.	3.3022	Sing. $	1.582		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6917	1.6898	1.6876	Japanese yen	125.86	125.33	124.79
Canadian dollar	1.4063	1.4037	1.4018	Swiss franc	1.4022	1.4017	1.4012
Deutsche mark	1.7290	1.7253	1.7224				

Source: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Zurich to Buy Stake in Peregrine

Bloomberg News

HONG KONG — Zurich Group said Sunday it would buy a 24.1 percent stake in the investment bank Peregrine Investments Holdings Ltd. for $200 million.

The transaction values Peregrine at $830 million, a 9.8 percent premium to its closing price Friday of 6.80 Hong Kong dollars (87 U.S. cents) a share.

Zurich Group's investment comes less than a month after Peregrine — one of Asia's biggest investment banks outside Japan — disclosed a slump in related to the slide in Asia's financial markets.

The transaction is the latest in a series of high-profile purchases by Zurich Group. Last month the company said it would buy the financial-services unit of Britain's BAT Industries PLC for stock and $2.1 billion in cash. Four months ago, Zurich announced it would acquire the U.S. money manager Scudder, Stevens & Clark Inc. for $1.7 billion in cash and stock. Last year, Zurich completed its $2 billion purchase of Kemper Corp., a U.S. life-insurance and asset-management company.

On Nov. 1, the Japanese Bond Research Institute, Japan's largest credit-rating company, placed Peregrine's credit rating on review with "negative implications" saying it faced "pressure on its financial strength" because of the turmoil in Asian markets.

Philip Tose, chairman of Peregrine, said, "This investment not only strengthens our substantial capital base but also deepens our relationship with a well-respected multinational company that brings to Peregrine extensive financial-services knowledge and technical expertise."

Last month, Mr. Tose said Peregrine was not in negotiations with any other parties.

James Bond's
Choice



Seamaster Professional
Automatic chronometer.
Water-resistant to 300m/1000ft.
OMEGA — Swiss made since 1848.

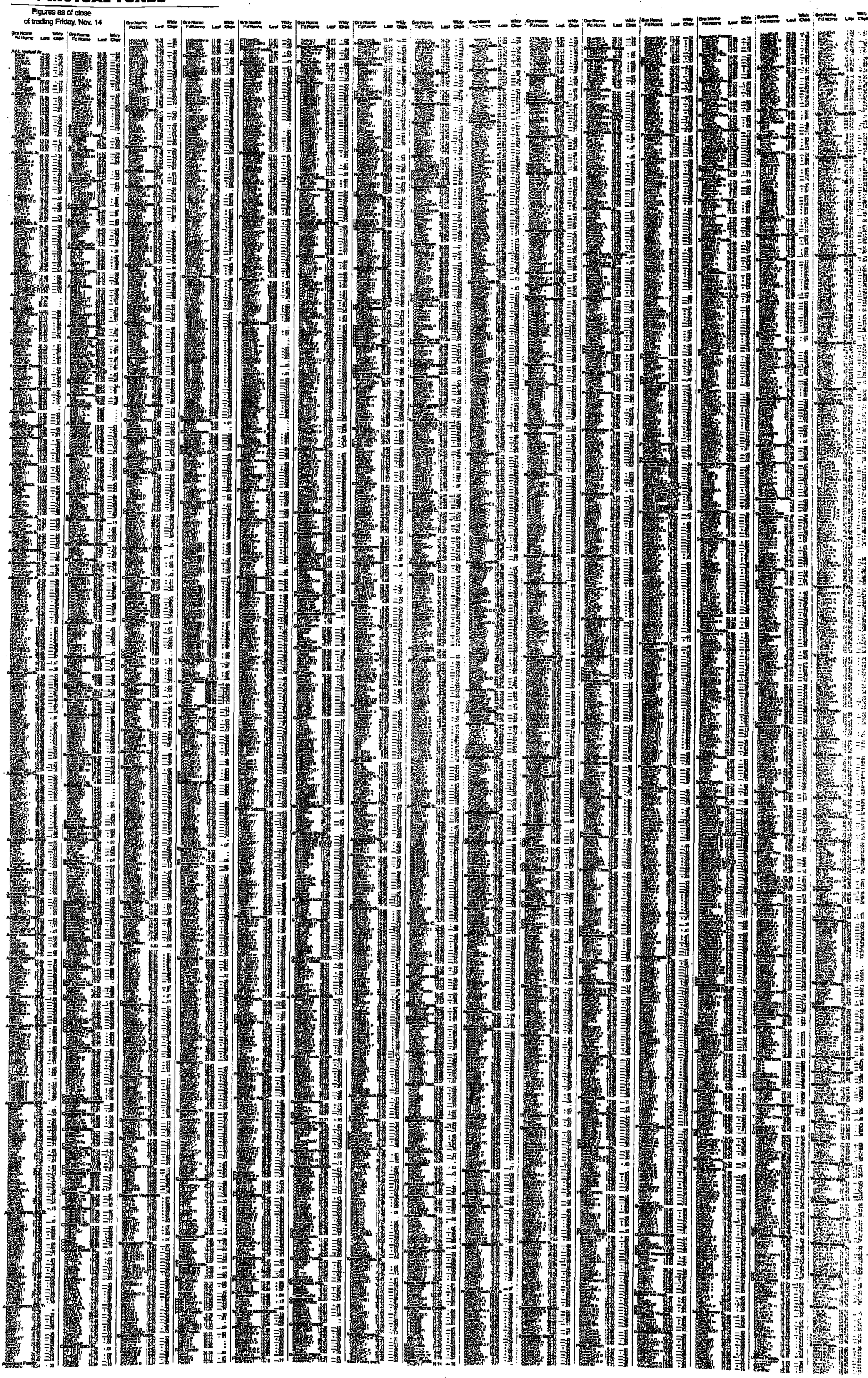
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Tomorrow Never Dies

Ω OMEGA
The sign of excellence

U.S. MUTUAL FUNDS

Figures as of close of trading Friday, Nov. 14



هكذا من الأصل

هكذا من الأصل

Overcapacity: A Domino Effect on Global Economies

By Louis Uchitelle
New York Times Service

NEW YORK — President Bill Clinton's failure last week to persuade Congress to give him freedom to negotiate trade deals reflected skepticism among Americans about the benefits of a global economy — not only free trade but also an entire system that allows money, factories and jobs to move anywhere.

Domestic politics, of course, played a big role in the president's decision to retreat when he failed to muster enough votes.

But the skepticism is not limited to politicians jockeying for the next election or union officials charging that jobs are leaving the country.

The worriers are often the same business executives and international investors who built today's global economy and now fear that it might backfire.

There is something to worry about. The Asian financial turmoil may be the first stage of a developing worldwide crisis driven mainly by a phenomenon called overcapacity: the tendency of the unfettered global economy to produce more cars, toys, shoes, airplanes, steel, paper, appliances, film, clothing and electronic devices than people will buy at prevailing prices.

"There is excess global capacity in almost every industry," Jack Welch, chairman of General Electric Co., said recently.

The problem arises because the global economy tends to make businesses build too many factories. Allied Signal Inc., for example, a multinational corporation based in New Jersey, built a polyester plant in France in 1993 and expanded it last year. The polyester, used in nylon carpets and tire cords, is sold in France and shipped across open borders to customers everywhere in the region.

But a group in South Korea, an emerging industrial nation seeking to be a big player in many major industries, opened a polyester plant there recently. Taking advantage of open borders, the South Koreans are shipping their polyester into Europe and elsewhere, grabbing customers and market share by offering lower prices. The customers, offered more polyester than they need, have encouraged a price war.

Price wars, up to a point, are good for consumers. The inflation rate in the United States has fallen in part because of global overcapacity, and business people everywhere complain that they cannot raise prices.

The danger is that at some point this house of cards must tumble down. In an open-border global economy, nearly every car manufacturer, for example, is trying to have a presence in every market. But when all the factories crank out more cars than people can buy, car prices come tumbling down, as do carmakers' profits, and out go the workers.

Down, too, go the number of people who can afford to buy cars. Economies can spiral toward recession, or worse. That is what is beginning to happen in Asia now.

East Asia has been the main source of the world's overcapacity in recent years. Since 1991, countries such as Thailand, South Korea, Indonesia, Malaysia and the Philippines have accounted for half of the growth in world output, primarily in manufacturing, according to David Hale, chief global economist for Zurich Insurance Group.

The financing for this new production often came from international investors moving huge sums across borders. They frequently borrowed the money at low interest rates in Japan and the United States and then invested in booming Asia in expectation of earning a high return.

Chunks of this money inevitably went not into factories but into speculation. Borrowers defaulted. As the big returns failed to materialize, fear grew, first in Thailand, that money invested in that country's currency, the baht, would not earn enough to pay debts incurred in dollars or yen. A run on the baht last summer spread to stock prices and to other Asian financial markets.

The factories remained intact, but the millions of Asians counted on to be customers pulled back. In their place, consumers in the United States have become the targeted buyers for much of the unsold Asian output.

As imports from the region rise, there is downward pressure on prices in the United States and on the wages of workers who make products that compete with the imports.

The global economy appears, in effect, to be capable of self-destruction. That is the view of William Greider, author most recently of "One World, Ready or Not: The Manic Logic of Global Capitalism," who points to the dangers of an unregulated global economy.

"It produces more and more goods even as it suppresses wages at both ends of the world, in industrial as well as developing countries," he wrote. "You cannot do that forever — producing more and cutting the wages of those who buy — without some collapse."

That view has been attacked by several economists, particularly Paul Krugman of the Massachusetts Institute of Technology. The U.S. economy, he says, is still mostly self-contained; global trade has not made that much of an inroad. Moreover, he says, workers will eventually share in the earnings from rising production.

Australia Selling Shares in Telstra

Reuters

SYDNEY — The government said it would gain about 14.3 billion Australian dollars ($9.93 billion) from its sale of Telstra Corp. after receiving an overwhelming demand for shares.

Telstra will start trading on the Australian and New York stock exchanges Monday.

Shares will be sold to institutional investors at 3.40 dollars each and to retail investors at 3.30 dollars. The government has said it will use the funds to retire debt and create an environmental fund.

If the Stock Is Small, Patience Needs to Be Big

By Ann Wozencraft
New York Times Service

NEW YORK — With small companies in their sixth month of leading the U.S. market, investors need to realize that shopping for them is far different from shopping for the large outfits that had long set the pace on Wall Street.

There may be many new shoppers out there, for the recent performance of small-capitalization companies has been relatively strong. Stocks of both large and small companies have been pummeled by the recent difficulties in Asia, of course, but even with the setbacks, the Russell 2000 index, which tracks small-capitalization stocks, has gained 9.1 percent since midyear, while the Standard & Poor's 500-stock index is up only 3.4 percent.

Analysts say small-caps should keep outperforming the market for

INVESTING

anywhere from a few to 18 months because of a strong U.S. economy, the capital-gains tax cut, a strong dollar — which reduces the earnings of companies with overseas operations — and for other reasons.

But whatever the period, the revival of small stocks may underline their importance to a portfolio.

"Investors who don't have small-cap exposure are missing out on a big part of the equity market," said Claudia Mott, director of research on small-capitalization issues at Prudential Securities.

But small-caps, while they seem to better performers over the long run, are riskier than large-caps. "Their stories aren't known, they're not as well seasoned, and they don't have the controls and reserves if the business slows down," said Thomas Maguire, fund manager for the Safeco Growth fund.

Moreover, analyst coverage of small-caps is often minimal, and because the press pays more attention to larger companies, small-cap investors often must use special publications. One source for small-cap newsletters is the Hulbert Financial Digest, which tracks the performance of many kinds of investment newsletters.

If investors are to realize small companies' potential and ride out their volatility, they also must hold the stocks for a long time — preferably five years or more.

"Most people do poorly investing in small stocks because they sell too soon," said Keith Mullins, a strategist at Smith Barney. "Those people in Seattle who had a good cup of coffee at Starbucks and sold when the stock doubled don't feel so smart now. In large stocks, though, valuation sensitivity is probably a very strong discipline."

But valuations are still important for small stocks.

One common rule, followed by Mr. Maguire, is to buy stocks only when their price-earnings multiples are appreciably lower than their expected earnings growth rates. If a company's earnings are growing at a 20 percent annual rate, he would like to pay no more than a 16 multiple for the stock. This strategy worked with Jackson Hewitt, a tax-preparation firm.

Jackson Hewitt has an expected growth rate of 25 percent, but the stock had only a 12.5 multiple at the price of $21.25 that Mr. Maguire paid in July. It closed Friday at $54.75.

Prodi Says He'd Rather Quit Than Cut Pensions in 1998

Compiled by Our Staff From Dispatches

ROME — Prime Minister Romano Prodi has said he would rather resign than introduce further cuts in pensions next year.

Speaking on a weekend television program, Mr. Prodi also reiterated that he would step down if his country was not rank among the founding members of the single European currency in January 1999.

"We won't touch pensions in 1998," Mr. Prodi said. Asked whether he would resign in the event that the pensions needed further cutting, he said, "Of course."

Italy's government this month unveiled a package of pension reforms that it wrapped into the 1998 budget and is submitting to Parliament for approval by Dec. 31.

At 4.1 trillion lire ($2.4 billion), the planned pension cuts are much smaller than those first announced. A dispute between the government and its Communist coalition allies compelled Mr. Prodi to propose milder cuts. These are designed to ensure that Italy meets the fiscal requirements for switching to the single currency, the euro, in 1999.

To qualify for European economic and monetary union, countries must slash their deficits to no more than 3 percent of gross domestic product and keep them at or below that level.

Mr. Prodi reiterated that the country's deficit would this year fall to 3 percent, and possibly 2.9 percent, of national output.

"Our finances are perfectly in order," he said. "The possibility of entering the single currency no longer bears a question mark, rather an exclamation point."

The pension reforms, once introduced, will raise the minimum age at which most workers can retire but will not affect blue-collar workers and those who began working in their teens. Under the existing system, most Italians who have worked 35 years are entitled to retire, regardless of age.

(Bloomberg, Reuters)

SHORT COVER

First Union Se. Job Cuts at Signet

WASHINGTON (WP) — First Union Corp. expects to cut 1,300 to 1,400 jobs at Signet Banking Corp. over the next six months as it completes its merger with the Virginia-based banking company.

The layoffs, which will primarily affect Signet's central operations in Richmond, are scheduled to begin at the end of the month and continue through the end of April.

First Union, based in Charlotte, North Carolina, plans to close more than 50 First Union and Signet branches because of overlaps caused by the merger.

Tietmeyer Skeptical of Asia Rescue

FRANKFURT (Bloomberg) — Hans Tietmeyer opposes any worldwide rescue operation to bail out Asian countries from their currency crisis, German newspapers reported.

"With international help, one would buy out private investors and promote a lax monetary policy," the president of the Bundesbank said at a press conference Thursday that was closed to foreign journalists.

Mr. Tietmeyer was critical of the effectiveness of the International Monetary Fund's bailout plans for Asia, the Frankfurter Allgemeine Zeitung reported. "The IMF cannot use earlier programs as a measure," Tietmeyer said, adding that one shouldn't simply throw money for show purposes.

Foreign Investment Rises in China

BEIJING (Bloomberg) — Paid-in direct foreign investment in China rose 8.3 percent in the first 10 months of the year, to $35.60 billion, the International Business Daily reported.

But the newspaper said Saturday that foreign investors pledged to spend $40 billion in China during the period, a drop of 35 percent from the same period last year.

Boeing Resumes 747 Production

SEATTLE (AP) — Boeing Co. has resumed full production on its 747 jumbo jet assembly line, though efforts to untangle production problems are not complete.

The company said late Friday that the 747 line resumed production Thursday after a 20-day shutdown during which Boeing concentrated on catching up on out-of-sequence and behind-schedule work

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CAPITAL MARKETS ON MONDAY

Shaken U.S. Investors Bring Money Home and Slow Stock-Buying

By Tim Quinson
Washington Post Service

WASHINGTON — The financial-market rout that started in Southeast Asia and spread to Latin America is causing American mutual-fund investors to flee international stock funds and slow their purchases of domestic stock funds.

Investors have withdrawn cash from international stock funds for five consecutive weeks and have redeemed money from funds that focus on Southeast Asian stocks at a rate of $220 million a month, according to research groups that track mutual-fund flows.

The pace of investment in funds that concentrate on U.S. stocks has slowed to about $2.7 billion a week over the past month, down from a rate of almost $5.1 billion a week in September, according to Trim Tabs Financial Services Inc. of Santa Rosa, California, which tracks fund flows. Meanwhile, the Investment Company Institute, the mutual-fund industry's trade group, reported Thursday that an estimated $21 billion was invested in all types of stock funds last month, down almost 19 percent from $25.8 billion in September.

Bond and fixed-income funds attracted an estimated $3 billion in October, compared with $3.62 billion in September, the institute reported.

"Investors are really spooked by what's happening to the world's markets," said Ian Wilson, editor of Micropal Emerging Market Monitor in Richmond, Virginia. "When you see Brazil's market go down 10 percent in a day and Hong Kong's market go down 14 percent in a day, that leaves investors wondering whether they should just leave their money in the bank."

That sentiment is reinforced as investors see returns on their emerging-markets funds eroding at a horrific rate.

Among them, T. Rowe Price Associates Inc.'s Latin America Fund has lost almost 32 percent of its value in three weeks, and Fidelity Investments' Emerging Markets Fund has fallen more than 40 percent since early July.

Several Southeast Asian funds lost more than 30 percent of their value over the past month, including the Wright Equifund Hong Kong Fund, the Fidelity Hong Kong & China Fund, the Montgomery Emerging Asia Fund and the Guinness Flight China & Hong Kong Fund.

Fund companies, including Fidelity, T. Rowe Price, Charles Schwab Corp. and Scudder, Stevens & Clark Inc., reported net withdrawals from international equities funds last month.

Investors have been steadily withdrawing cash from international funds for the past six weeks, said Gavin Quill, Scudder's marketing vice president.

"The money is being diverted primarily to conservatively managed U.S. equity funds and secondarily to money-market funds and high-yield bond funds," Mr. Quill said.

'The money is being diverted primarily to conservatively managed U.S. equity funds and secondarily to money-market funds and high-yield bond funds.'

T. Rowe Price, based in Baltimore, reported that its international equity funds were suffering "modest" net redemptions this month. Much of the money is being shifted to bond funds rather than other equities funds, the company said.

T. Rowe Price said its top-selling bond funds this month include the Spectrum Income Fund, the High Yield Fund and the New Income Fund.

Other investors are reducing their market risk by moving a portion of their assets to low-risk money-market funds from stock funds. Fidelity, based in Boston, said two of its three best-selling funds last month were money-market funds.

Schwab, based in San Francisco, reported that a net $238 million was pulled last month from international equities funds that were available through the firm's Mutual Fund MarketPlace service. In addition, a net $64 million has been redeemed from international stock funds so far this month, said Greg Gable, a Schwab spokesman.

U.S. stock funds are luring investors, Mr. Gable said. Growth-stock funds attracted a net $353 million last month and have taken in an additional $96 million so far this month, Mr. Gable said. The level of buying is on a par with previous months, he said.

Vanguard Group, the second-biggest American fund company, bucked the industry trend in October by reporting an increase in net inflows to equities funds.

Vanguard's equities funds took in a net $2.9 billion in October, up from $2 billion in September, said John Woerth, a company spokesman. The firm's most popular funds continue to be those that mimic the Standard & Poor's 500-stock index, he said.

This month, U.S. equity fund net inflows "remain brisk," Mr. Woerth said. The company's actively managed international equity funds, by contrast, are reporting "modest net outflows," he said.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Nov. 14. Prices supplied by Telekurs.

Belgian Franc

Rnk	Name	Cpn	Maturity	Price	Yield
231	Belgium	8	03/28/15	120.1600	6.6600

British Pound

Rnk	Name	Cpn	Maturity	Price	Yield
125	IFCA	6.3400	02/17/00	98.6250	6.4300
147	IADBk	6.4000	06/26/00	97.8217	6.5400
176	EBRD	6.2000	02/14/00	98.3750	6.3000
189	FEK	6¼	03/16/00	98.6250	6.3400
192	Abbey Nationa	6	08/10/99	97.4752	6.1600
237	EIB	7¾	12/07/06	102.8631	7.4100
241	Hypotheken	6⅞	11/12/04	97.8750	7.0200

Canadian Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
155	Canada	7½	12/01/03	111.8350	6.7100

Danish Krone

Rnk	Name	Cpn	Maturity	Price	Yield
11	Denmark	8	03/15/06	112.90	7.0900
17	Denmark	9	11/15/00	110.4300	8.1500
18	Denmark	7	11/10/24	104.3000	6.7100
23	Denmark	7	11/15/07	106.1700	6.5900
41	Denmark	6	12/10/99	102.2700	5.8700
46	Denmark	6	11/15/02	102.4400	5.8600
51	Denmark	8	11/15/01	109.5500	7.3000
52	Denmark	9	11/15/98	104.1500	8.6400
58	Denmark	7	12/15/04	106.7200	6.5600
69	Denmark	8	05/15/03	111.2700	7.1900
73	Nykredit	7	10/01/29	96.2500	7.2700
102	Real Kredit	6	10/01/26	92.7500	6.4700
103	Realkred	7	10/01/29	96.2000	7.2800
113	Nykredit	6	10/01/26	92.5000	6.4900
126	Denmark	4	02/15/00	98.4000	4.0700
163	Denmark Tbills	zero	02/02/98	99.1495	3.8800
209	Byggeril	7	10/01/29	96.7500	7.2400
220	Denmark	7	02/15/98	100.6200	6.9600
240	Danske Kredi	7	10/01/29	96.4200	7.2600

Deutsche Mark

Rnk	Name	Cpn	Maturity	Price	Yield
1	Germany	4	09/17/99	99.6100	4.0200
2	Germany	6	07/04/07	102.6217	5.8500
4	Germany	6½	07/04/27	103.5283	6.2800
5	Germany	4¾	05/17/02	97.7220	4.6000
6	Germany	6	01/04/07	102.7800	5.8400
7	Germany	8	01/21/02	110.9800	7.2100
9	Treuhand	7⅛	12/02/02	109.6200	6.7300
10	Germany	6¼	04/26/06	104.3643	5.9900
12	Germany	8⅜	08/20/01	112.8700	7.7500
13	Germany	9	10/20/00	111.2700	8.0900
15	Germany	7⅜	01/03/05	110.9700	6.6500
16	Germany	8	07/22/02	111.6333	7.1700
19	Bundesobligation	4½	02/22/02	98.0750	4.5900
20	Germany	5¾	08/22/00	102.5800	5.6100
21	Germany	6⅞	05/12/05	108.1750	6.3600
22	Germany	6½	10/14/05	105.9800	6.1300
29	Germany	8¼	09/20/01	111.4046	7.4100
30	Treuhand	7½	09/09/04	111.4550	6.7300
31	Germany	6¾	09/15/99	104.6266	6.4500
32	Treuhand	6⅝	07/09/03	106.3567	6.2300
33	Treuhand	7⅛	01/29/03	108.5092	6.5700
34	Germany 94	6¼	01/04/24	100.6972	6.2100
35	Treuhand	7¾	10/01/02	110.8600	6.9900
36	Germany	5	08/20/01	100.2400	4.9900
37	Germany	3¾	03/19/99	99.3700	3.7700
38	Germany	8⅞	12/20/00	111.3900	7.9700
42	Germany	9	01/22/01	111.9300	8.0400
43	Treuhand	6¾	05/13/04	107.2500	6.2900
44	Germany	8½	02/20/01	110.6600	7.6800
45	Treuhand	6⅞	06/11/03	107.5700	6.3900
47	Germany	6	01/05/06	102.7150	5.8400
49	Germany	7½	11/11/04	111.6650	6.7200
50	Germany	4¾	11/20/01	94.5061	5.0300
53	Germany SP	zero	07/04/27	15.40	6.5100
54	Germany	5¼	02/21/01	101.1600	5.1900
56	Germany	8¾	07/20/00	109.9300	7.9600
57	Germany	6	06/20/16	99.7814	6.0100
59	Germany	6	02/16/06	102.7500	5.8400
62	Germany	7¼	10/21/02	108.8750	6.6600
63	Germany	6	09/15/03	103.6913	5.7900
64	Treuhand	6½	04/23/03	105.7850	6.1400
68	Germany	6½	03/15/00	104.1500	6.2400
70	Germany	6½	07/15/03	105.8200	6.1400
71	Germany	3½	06/18/99	99.5300	3.5200
72	Germany	7⅛	12/20/02	108.5200	6.5700
74	Germany	5⅛	11/21/00	100.9800	5.0800
75	Germany	3½	09/18/98	99.5900	3.5100
78	Germany	5	05/21/01	100.4000	4.9800
80	Germany	8½	08/21/00	109.5100	7.7600
81	Germany	7	01/13/00	105.0100	6.6700
82	Germany Tbills	zero	04/17/98	98.5187	3.5800
83	Germany	8¼	05/21/01	110.90	7.5500
84	Germany	8¾	05/22/00	109.5100	7.9900
85	Germany	5⅛	05/15/00	102.8700	5.7100
88	Germany	3½	12/18/98	99.3400	3.5200
89	Germany	7¼	01/20/00	105.5350	6.8700
93	Treuhand	6⅜	07/01/99	103.0900	6.1800
95	Treuhand	5⅛	09/24/98	101.3200	5.5500
96	Treuhand	6⅛	03/26/98	98.9035	6.1900
99	Germany	6⅞	12/02/98	102.7300	6.6900
100	Treuhand	6¼	03/04/04	104.7200	5.9700
106	Germany	6	02/20/98	100.5500	5.9700
109	Germany	6¾	04/22/03	106.9471	6.3100
111	Germany	6½	01/02/99	102.5067	6.3400
118	Germany FRN	3¼	04/06/00	99.7500	3.2600
119	Treuhand	6¼	07/29/99	103.0700	6.0600
120	Treuhand	7	11/25/99	104.8044	6.6800
121	Frankfurt Hyp	5½	11/03/04	99.5500	5.5200
127	Treuhand	6⅛	06/25/98	101.2700	6.0500
129	Germany	6⅜	05/20/98	101.2600	6.3000
130	Germany FRN	3.0480	09/30/04	99.1633	3.0700
131	Germany	6¾	07/15/04	107.4475	6.2800
132	Treuhand	5	12/17/98	100.8800	4.9600
134	Treuhand	5	01/14/99	100.8900	4.9600
135	Germany	6⅞	02/24/99	103.1700	6.6600
140	Germany	7¾	02/21/00	106.7400	7.2600
145	Germany	5¾	02/22/99	101.4100	5.3000
150	Germany	6¼	02/20/98	100.6000	6.2100
157	Germany	5¾	08/20/98	101.3000	5.6800
171	Germany	6⅛	05/20/99	102.6300	5.9700
175	Germany	6⅜	01/20/98	100.4400	6.3500
177	Treuhand	5¾	04/29/99	102.0000	5.6400
183	Germany	7	12/22/97	100.3200	6.9800
188	Germany	7⅛	12/20/99	105.1400	6.7800
190	Treuhand	6	11/12/03	103.4400	5.8000
193	Germany SP	zero	01/04/24	19.2600	6.5000
198	Germany	6⅝	01/20/98	100.4900	6.5900
202	Germany	7	10/20/99	104.6700	6.6900
206	OesterPosts	5¼	11/11/02	99.7500	5.2600
208	Germany	5⅝	09/20/16	95.3967	5.9000
215	Germany	5¼	10/20/98	101.0500	5.2000
216	Germany	6¾	12/21/98	102.3300	6.2300
228	Germany	7	09/20/99	104.5400	6.7000
232	Germany	6¾	11/20/98	102.2100	6.2400
233	KFW FRN	3.1352	09/23/02	99.7700	3.1400
249	Hessen Land	5¾	01/30/08	99.6500	5.7700

Dutch Guilder

Rnk	Name	Cpn	Maturity	Price	Yield
39	Netherlands	5¾	02/15/07	101.0000	5.6900
76	Netherlands	9	01/15/01	111.70	8.0600
92	Netherlands	6¾	11/15/05	107.8000	6.2600
97	Netherlands	6¼	07/15/98	101.3500	6.1700
101	Netherlands	8½	03/15/01	110.70	7.6800
105	Netherlands	8¾	09/15/01	112.70	7.7600
114	Netherlands	7½	04/15/10	115.1500	6.5100
146	Netherlands SP	zero	01/15/23	20.2000	6.5600
148	Netherlands	6	01/15/06	102.9500	5.8300
151	Netherlands	7½	01/15/23	116.8500	6.4200
152	Netherlands	6¾	10/01/98	102.1500	6.6100
159	Netherlands	7	03/15/99	103.3000	6.7800
161	Netherlands	5¾	01/15/04	102.1500	5.6300
164	Netherlands	7¾	01/15/00	106.2500	7.2900
165	Netherlands	6½	04/15/03	105.8000	6.1400
167	Netherlands	7	02/15/03	107.8500	6.4900
168	Netherlands	7¾	03/01/05	113½	6.8300
172	Netherlands	5¾	09/15/02	102.4000	5.6200
178	Netherlands	8½	06/01/06	119.5500	7.1100
194	Netherlands	8¼	02/15/00	107.5000	7.6700
195	Netherlands	8¼	02/15/02	111.8000	7.3800
200	Netherlands	6¾	02/15/99	102.8500	6.5600
207	Netherlands	7½	06/15/99	104.5500	7.1700
217	Netherlands	7½	11/15/99	105.5000	7.1100
222	Netherlands	8¼	09/15/07	119.3000	6.9200
246	Netherlands	9	05/15/00	109.9000	8.1900

ECU

Rnk	Name	Cpn	Maturity	Price	Yield
87	France OAT	5½	04/25/07	97.4000	5.6500
137	France OAT	7	04/25/06	108.5100	6.4500
158	Italy	9¼	03/07/11	127.5000	7.2500
182	France BTAN	6	03/16/01	102.8100	5.8400
199	France BTAN	4½	07/12/02	96.7900	4.6500
213	France OAT	6	04/25/04	103.0200	5.8200
214	France OAT	6¾	04/25/02	105.6000	6.3900
226	France BTAN	7¼	03/16/98	100.7700	7.1900
234	France OAT	8¼	04/25/22	126.6875	6.5100

French Franc

Rnk	Name	Cpn	Maturity	Price	Yield
185	France OAT SP	zero	10/25/25	16.70	6.6100
187	Cyberval FRN	3.4477	07/06/02	100.0300	3.4500

Italian Lira

Rnk	Name	Cpn	Maturity	Price	Yield
169	Italy	7½	10/01/99	103.4000	7.2500
218	Italy	7¼	11/01/26	107.2600	6.7600

Japanese Yen

Rnk	Name	Cpn	Maturity	Price	Yield
122	NTT	2½	07/25/07	104.5229	2.3900
153	EIB Sr13	2⅛	09/20/07	101.8750	2.0900
166	Spain	3.1000	09/20/06	109.8144	2.8200
174	World Bank	4½	03/20/03	116.5199	3.8600
196	World Bank	5¼	03/20/02	117¾	4.4600
203	Fannie Mae	2⅛	10/09/07	101.9993	2.0800
204	World Bank	4¾	12/20/04	122.0355	3.8900
221	Italy	3¾	06/08/05	113¼	3.3100
230	Italy FRN	0.5938	07/26/99	100.3600	0.5900
242	Exim Bk Japan	4⅜	10/01/03	116¼	3.7600
243	World Bank	4½	06/20/00	109.8750	4.1000
247	Japan Dev Bk	6½	09/20/01	120.6250	5.3900

Spanish Peseta

Rnk	Name	Cpn	Maturity	Price	Yield
110	Spain	7.9000	02/28/02	109.1960	7.2300
229	Spain Bonos	5	01/31/01	98.7690	5.0600

Swedish Krona

Rnk	Name	Cpn	Maturity	Price	Yield
86	Sweden	11	01/21/99	106.5160	10.3300
124	Sweden 1037	8	08/15/07	111.6730	7.1600
142	Sweden 1036	10¼	05/05/00	110.4350	9.2800
205	Sweden	5½	04/12/02	98.3760	5.5900

U.S. Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
3	Brazil Cap S.L	4½	04/15/14	76.2023	5.9100
8	Brazil FRN	6 11/16	01/01/01	90.8333	7.5000
14	Brazil L FRN	6 11/16	04/15/06	75.6500	8.8400
24	Argentina	6 11/16	03/29/05	81.3918	8.2200
25	Brazil	10⅛	05/15/27	82.2363	12.3100
26	Mexico	11½	05/15/26	103.0428	11.1600
27	Argentina	9¾	09/19/27	82.1228	11.8700
28	Argentina par L	5½	03/31/23	66.6713	8.2500
40	Russia	10	06/26/07	84.8214	11.7900
48	Venezuela	9¼	09/15/27	82.2958	11.2400
55	Venezuela par A	6¾	03/31/20	82.8125	8.1500
60	Venezuela FRN	6¾	12/18/07	86.1970	7.8300
61	Argentina	11¾	01/30/17	96.3391	11.8100
65	Bulgaria FRN	6 11/16	07/28/11	66.1851	10.1000
66	Mexico par	6¼	12/31/19	75.9019	8.2300
67	Exim Bk Japan	6⅜	11/07/02	100.6250	6.3400
77	Mexicopar	6¼	12/31/19	78.4533	7.9600
79	Bulgaria FRN	6 11/16	07/28/24	71.0000	9.4200
90	Brazil S.L FRN	6⅞	04/15/12	67.6000	9.9900
91	Brazil	8⅞	11/05/01	91.6655	9.6800
94	Brazil par ZI	5¼	04/15/24	63.6250	8.2500
98	Mexico A FRN	6.6925	12/31/19	87.8750	7.6200
104	Mexico B FRN	6.6172	12/31/19	87.0578	7.6000
107	Mexico D FRN	6 11/16	12/28/19	87.0565	7.8300
108	Korea	7¼	05/15/06	84.9225	8.5400
112	Kellogg	6⅛	08/06/01	99.9625	6.1300
115	Italy	6⅞	09/27/23	101.5654	6.7700
116	Brazil S.ZI FRN	6 11/16	04/15/24	74.5625	8.9700
117	Russia	9¼	11/27/01	95.9904	9.6400
123	Mexico	9⅞	01/15/07	100.1250	9.8600
128	Bulgaria	2¼	07/28/12	55.7500	4.0400
133	Ecuador FRN	3¼	02/28/15	67.6424	4.8000
136	Venezuela par B	6¾	03/31/20	82.8125	8.1500
138	Mexico	11⅜	09/15/16	106.5000	10.6800
139	Argentina FRN	6⅞	03/31/23	83.2500	8.2600
141	Ecuador FRN	6 11/16	02/28/25	79.6164	8.4000
143	Canada	6⅛	07/15/02	101.1310	6.0600
144	Mexico C FRN	6.8203	12/31/19	90.5830	7.5300
149	Caiss	zero	07/10/98	95.6113	7.0600
154	Poland Inter	4	10/27/14	81.0099	4.9400
156	Mydfa FRN	6 11/16	09/09/07	72.4462	9.2300
160	CADES FRN	5.5313	12/10/01	99.5800	5.5500
162	Mexico FRN	6.9766	06/27/02	97.0000	7.1900
170	Poland FRN	6 11/16	10/27/24	93.7500	7.1300
173	Canada	6¾	08/28/06	103.3750	6.5300
179	Peru Frn	3¼	03/07/17	51.4438	6.3200
180	Bco Brasil FRN	6.6458	10/14/99	83.5713	7.9500
181	Ontario	6	02/21/06	97.3237	6.1600
184	Argentina	8⅜	05/09/02	94.0000	9.3100
186	Mexico	9¾	02/06/01	102.8926	9.4800
191	Brazil Cbond S.L	4½	04/15/14	77.5817	5.8000
197	Argentina	8¾	12/20/03	88.0834	9.5100
201	EIB	6⅛	10/28/02	100.2922	6.1100
210	Ecuador par	3½	02/28/25	49.6250	7.0500
211	Bayerische LB	6⅝	06/25/07	102.4604	6.4700
212	Fannie Mae	7.4000	07/01/04	106.6250	6.9400
219	Philippines Fix	8¾	10/07/16	86.5441	10.1100
223	Bank Nov	5.7734	11/07/02	99.7700	5.7900
224	MBL Intl Fin	3	11/30/02	101.6250	2.9500
225	Bco Com Ext.	7¼	02/02/04	90.0000	8.0600
227	Credit Local	6½	02/18/04	100.5000	6.4700
235	Venezuela FRN	6¾	03/18/07	85.4700	7.9000
236	Japan High	6⅞	11/27/06	102.7500	6.6900
238	Ontario	7¾	06/04/02	105.7500	7.3300
239	Lehman Brot	6.0227	09/03/02	99.0700	6.0800
244	Italy FRN	5.6563	05/12/02	100.0000	5.6600
245	Ferrovie Dell	9⅛	07/06/09	121.3750	7.5200
248	Argentina	11	10/09/06	97.9381	11.2300
250	Btm Curac	6.2188	12/31/99	97.6742	6.3700

The Week Ahead: World Economic Calendar, Nov. 17-21

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** Meeting of finance ministers to discuss a proposed Asian monetary fund to combat currency speculation. Tuesday and Wednesday. **Tokyo:** Conference on administrative reform, chaired by Prime Minister Ryutaro Hashimoto. Monday to Thursday.	**Luxembourg:** European Union government leaders and foreign ministers hold meeting on employment. Thursday and Friday.	**Las Vegas:** Comdex Computer Show. Speakers include Bill Gates, CEO of Microsoft, Eckhard Pfeiffer, president and CEO of Compaq Computer, and John Chambers, president and CEO of Cisco Systems, through Friday.
Monday Nov. 17	**Bangkok:** Official foreign reserves. **Tokyo:** Revised industrial-production figures for September; corporate bankruptcies for October; Finance Ministry meeting to seek ways to stabilize financial systems.	**Frankfurt:** BDB German Banking Association holds conference on industry performance; Ernst Welteke, a Bundesbank council member, speaks on Germany's economic role in Europe.	**Earnings expected:** Borders Group, Lowe's, Staples, Toys 'R' Us.
Tuesday Nov. 18	**Taipei:** Ministry of Finance auctions 30 billion Taiwan dollars ($960.3 million) of five-year government bonds. **Tokyo:** Bank of Japan releases wholesale price index for early November.	**Berlin:** Hans-Juergen Krupp, a Bundesbank council member, speaks on the planned European single currency at CDU/CSU party conference. **Frankfurt:** Bundesbank's October M-3 money supply.	**Ottawa:** Bank of Canada releases monetary policy report. **Earnings expected:** Abercrombie & Fitch, Hewlett-Packard, Home Depot, Kohl's, Neiman-Marcus Group, Metro-Richelieu, Loblaw.
Wednesday Nov. 19	**Singapore:** Retail sales for September. **Tokyo:** Bank of Japan releases money-supply figures for October; average interest rates per annum for different types of deposits.	**Munich:** Ifo research institute's October index of business confidence. **Wiesbaden:** Bundesbank's president, Hans Tietmeyer, speaks on the German economy, global markets and the euro.	**Ottawa:** October consumer price index. **Earnings expected:** AnnTaylor Stores, Dayton-Hudson, Intimate Brands, Limited, PetsMart, Talbots.
Thursday Nov. 20	**Tokyo:** Finance Ministry releases merchandise trade balance for October. **Earnings expected:** Legend Holdings, Tse Sui Luen Jewellery International, Colour-Chem, Tata Iron & Steel.	**Frankfurt:** Bundesbank's policy council meets to set rates. **London:** Output, income and expenditure figures for third quarter. **Moscow:** Bidding ends for sale of government's 48.6 percent stake in AO Tyumen Oil Co.	**Ottawa:** Bank of Canada announces details of five-year bond auction. **Earnings expected:** Applied Materials, Campbell Soup, Kmart, Proffitt's, Urban Outfitters, Hudson's Bay, Trans Atlantic Resources.
Friday Nov. 21	**Taipei:** Export orders and industrial production index for October. **Earnings expected:** Wah Kwong Holding, Yoshiya International, Excel Industries, State Bank of India, ITC.	**Frankfurt:** Bundesbank's president Hans Tietmeyer, Wim Duisenberg, president of the European Monetary Institute, and Jean-Claude Trichet, governor of the Bank of France, speak at European Banking Congress.	**Ottawa:** September wholesale trade figures and October composite index figures. **Earnings expected:** Bombay, Books-a-Million, Sunglass International, Oshawa Group.

Bond Yield Likely to Test 6% Level

Bridge News

NEW YORK — The slipping and sliding in world financial markets has pushed the Treasury bond yield down close to 6 percent, a level that seemed to dull investors' enthusiasm last week.

But many traders see global market volatility continuing to rule the bond market's moves and say it could well take the 30-year yield below 6 percent, at least temporarily.

The focus on overseas financial markets and, to a lesser extent, U.S. stocks overshadowed not only domestic economic news last week but also the Federal Open Market Committee's policy meeting. The Fed left rates unchanged, and participants generally credited that decision to the fragility of international financial markets.

With Fed policy steady and worries about financial-market instability continuing to support Treasury issues, traders see little reason to expect a sell-off. The benchmark 30-year bond ended last week at a yield of 6.09 percent, compared with 6.15 percent a week earlier.

Perry Beaumont, a senior market strategist at Smith Barney, said the market could have a tough time sustaining a move below the psychologically important 6 percent yield on the bond.

Treasury bonds have been opening lower, Mr. Beaumont said, suggesting that "overseas investors are not so quick to respond with knee-jerk buying" of Treasury issues in the event of losses in foreign markets.

He said, though, that the data continued to show "decent growth without accompanying inflation pressures" in the United States, adding that testing 6 percent against such a backdrop "is not at all out of the question."

Mr. Beaumont said it would take more evidence of an economic slowdown to get the bond yield down to 5.75 percent. Smith Barney analysts expect the U.S. economy to slow in the first quarter of next year.

In the meantime, Mr. Beaumont sees bonds consolidating around current levels as the yield curve continues to flatten, with some back-up in yields occurring if stock markets stabilize.

U.S. CREDIT MARKETS

Another trader said he expected lower yields, arguing that the supply-demand equation was operating in the Treasury market's favor.

"Money is flowing into bond mutual funds, and when money flows into bond mutual funds, if there's enough of it, it flows into the market," he said. In addition, he said, there was demand from the Federal Reserve Board, which implemented the second installment of a permanent coupon purchase last week.

All of that buying, moreover, is coming when the supply of Treasury bonds is shrinking.

But other players have asked why the market is rallying if the Fed is still on the verge of tightening interest rates. While it left rates steady Wednesday, there was a general impression that only the turmoil in international markets had kept it from raising rates.

Certainly the minutes from the Sept. 30 meeting of the Open Market Committee, released Thursday, showed that several members already were looking for a near-term tightening.

"It's funny," said David Glen, a portfolio manager at Scudder Stevens & Clark Inc. "Everybody says the Fed would have tightened Wednesday if it weren't for the worldwide stuff, and nobody has any problems gulping down bonds at 6 percent."

Mr. Glen said the bond market "might have gone a little too far," noting that $4.5 billion of Treasury debt remained available to investors.

While saying it was understandable in current market conditions that participants were reluctant to sell Treasury bonds, he predicted that 30-year yield would not fall below 5.75 percent unless the economy entered a recession.

Although this week's economic news will not be that important for the bond market, it is possible a high reading on the capacity utilization rate, to be released Monday, could reawaken concerns about a rise in U.S. interest rates.

Also this week, the Treasury will announce the size of the following week's two-year and five-year note auctions. Those auctions will be wedged into a holiday-shortened week, and traders said that with the Thanksgiving holiday Nov. 27 as a distraction, the auctions might not be so popalar.

When Frustration Drives Investment

As Americans Pull Out of Overseas Funds, Advisers Say It's Time to Buy

The Associated Press

NEW YORK — For those who have followed the conventional wisdom, dutifully allocating part of their would-be nest eggs to mutual funds with an international flavor, all this hysteria abroad merely pushes a nagging question to the fore: Why bother?

While most portfolio strategists would advise against adopting a "no place like home" approach to investing, the thought is tempting.

Despite all the hype about the unbridled potential of emerging markets, it is not as though the Pacific Rim was such a winning bet even before all the tumult of the past month.

Through the end of September, mutual funds specializing in that region were down an average of 6 percent for the year, according to Lipper Analytical Services Inc. Add in the recent debacle, and this year's loss becomes about 24 percent.

Too short a time frame? For the past five years, a period of unprecedented success for U.S. stocks, funds focusing on the Pacific Rim are up only about 23 percent. Compare that with an average five-year return of 119 percent for funds that stick with U.S. companies. Stricken three years ago by a fiscal crisis similar to the one now rattling Asia, Latin America actually might have provided some reassurance if its impressive recovery hadn't proven so fragile in recent weeks. After posting an average five-year gain of 101 percent through Sept. 30, Latin American funds are now up just about 45 percent over the past five years.

It all adds up to what seems a monumental betrayal by those Wall Street professionals — the ones who made international equities a prominent choice on the menu of most pension and retirement funds and who were thought to be looking out for the average person with modest savings.

Apparently, at least some investors are growing frustrated. Even though mutual-fund deposits exceeded withdrawals by $21 billion last month, those funds with an international theme suffered a net outflow of money.

But amid this tide of financial xenophobia, investment specialists have this advice about foreign markets: Now more than ever.

This is "a great time" to start putting more money into overseas funds, said William Dodge, portfolio manager at Marvin & Palmer Associates of Wilmington, Delaware, warning against a U.S.-only approach to investing. "There's a fundamental case for there to be more money there," he said, "and there's a valuation case for there to be more money there."

While the problems in many economies are real enough to slow the world economy, Mr. Dodge said, the recent sell-off offers an opportunity to invest in markets with tremendous prospects. "That discount more than compensates for the slowdown in growth," he said.

The U.S. market seems to want to believe that the overseas market upheaval was a "purely psychological" event, Mr. Dodge said. But he forecast that there would be a "profound" global slowdown before the problems have run their course.

Charles Crane, chief market strategist for Cleveland-based Key Asset Management, said that in the midst of the turmoil overseas, "there are opportunities, but I wouldn't jump into any sector blindly."

He added, however: "If one is a true long-term investor, having exposure overseas is pretty smart. The turmoil of the last couple of months is the price of admission. For greater opportunity, you do have to stomach greater risk."

New International Bond Issues

Compiled by Paul Floren

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
European Investment Bank	*$1,000*	*2002*	*¼*	*99.803*	—	*Under 3-month Libor. Noncallable. Fees not disclosed. (Barclays.)*
Fixed-Coupons						
Student Loan Marketing Association	$400	1999	5.89	100	—	Semi-annually. Noncallable. Fees 0.125%. Denominations $10,000. (Lehman Brothers.)
World Bank	DM500	2002	5	100.945	99.45	Reoffered at 99.32. Noncallable. Fees 1⅝%. (ING Barings.)
Frogmore Investments	£100	2007	8	99.313	—	Callable at par in 2007. Fees 0.50%. Denominations £10,000. (Natwest Markets.)
ABN AMRO Bank	DF750	2007	6	100.70	99.70	Reoffered at 99.10. Noncallable. Fees 2%. (ABN AMRO Bank.)
F-Van Lanschot Bankiers	DF400	2007	6	101.465	—	Reoffered at 99.89. Noncallable. Fees 2%. (Rabobank.)

Last Week's Markets

Stock Indexes

	Nov. 14	Nov. 7	% Ch'ge
United States			
DJ Indus.	7,572.48	7,581.32	−0.12
DJ Util.	245.60	241.99	+1.49
DJ Trans.	3,106.69	3,184.23	−2.44
S & P 100	888.41	884.57	+0.43
S & P 500	928.35	927.51	+0.09
S & P Ind	1,087.15	1,080.53	+0.61
NYSE Co	486.06	487.29	−0.25
Nasdaq Cp	1,583.69	1,602.39	−1.17
Japan			
Nikkei 225	15,082.52	15,836.36	−4.76
Britain			
FTSE 100	4,741.80	4,764.30	−0.47
Canada			
TSE Indus.	6,724.80	6,858.60	−1.95
France			
CAC 40	2,696.04	2,699.71	−0.14
Germany			
DAX	3,730.94	3,699.89	+0.84
Hong Kong			
Hang Seng	9,957.33	10,104.50	−1.46
World			
MSCIP	895.34	952.76	−6.03

World Index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	Nov. 14	Nov. 7
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5 11/16	5⅝
Japan		
Discount	0.50	0.50
Call money	0.40	0.42
3-month interbank	0.47	0.53
Britain		
Bank base rate	7¼	7.00
Call money	7⅛	7⅝
3-month interbank	7⅜	7⅞
France		
Intervention rate	3.30	3.30
Call money	3⅜	3⅜
3-month interbank	3⅝	3 9/16
Germany		
Lombard	4.50	4.50
Call money	3.45	3.45
3-month interbank	3.80	3.75

Gold	Nov. 14	Nov. 7	% Ch'ge
London p.m. fix $	301.75	308.70	-2.25

Euromarts

Eurobond Yields

	Nov. 14	Nov. 7	Yr high	Yr low
U.S. $, long term	6.37	6.42	7.09	6.37
U.S. $, mdm term	6.29	6.22	6.84	6.09
U.S. $, short term	6.03	6.02	6.51	5.95
Pounds sterling	7.26	7.15	7.75	6.90
French francs	5.26	5.23	5.34	4.66
Italian lire	5.99	5.95	7.79	5.79
Danish kroner	5.76	5.76	5.93	5.26
Swedish kronor	5.71	5.53	5.72	4.82
ECUs, long term	6.03	5.98	6.42	5.76
ECUs, mdm term	5.51	5.50	5.59	4.76
Can. $	5.46	5.51	6.51	5.36
Aus. $	6.10	6.08	7.86	5.89
N.Z. $	7.43	7.48	8.39	6.96
Yen	1.31	1.31	2.15	1.31

Source: Luxembourg stock exchange.

Weekly Sales

Nov. 13

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	35.0	120.1	616.0	372.2
Convert.	—	—	200.5	9.3
FRNs	844.0	708.3	378.0	788.4
ECP	6,352.3	9,496.1	9,607.8	7,863.0
Total	7,231.3	10,324.5	10,802.3	9,032.9

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	25,417.5	17,670.9	101,507.9	25,960.5
Convert.	1,094.6	1,078.1	3,852.8	2,223.8
FRNs	27,487.0	9,381.0	54,803.5	6,446.5
ECP	14,539.7	14,031.4	23,802.6	28,885.6
Total	68,538.8	42,161.4	183,966.8	63,516.4

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5 11/16	5⅞	5⅞
Deutsche mark	3¾	3¾	3⅞
Pound sterling	7 9/16	7¾	7¾
French franc	3⅜	3 7/16	3 9/16
ECU	4½	4⅜	4¼
Yen	½	⅝	⅝

Sources: Lloyds Bank, Reuters.

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صكدامن الاصل

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Nov. 14

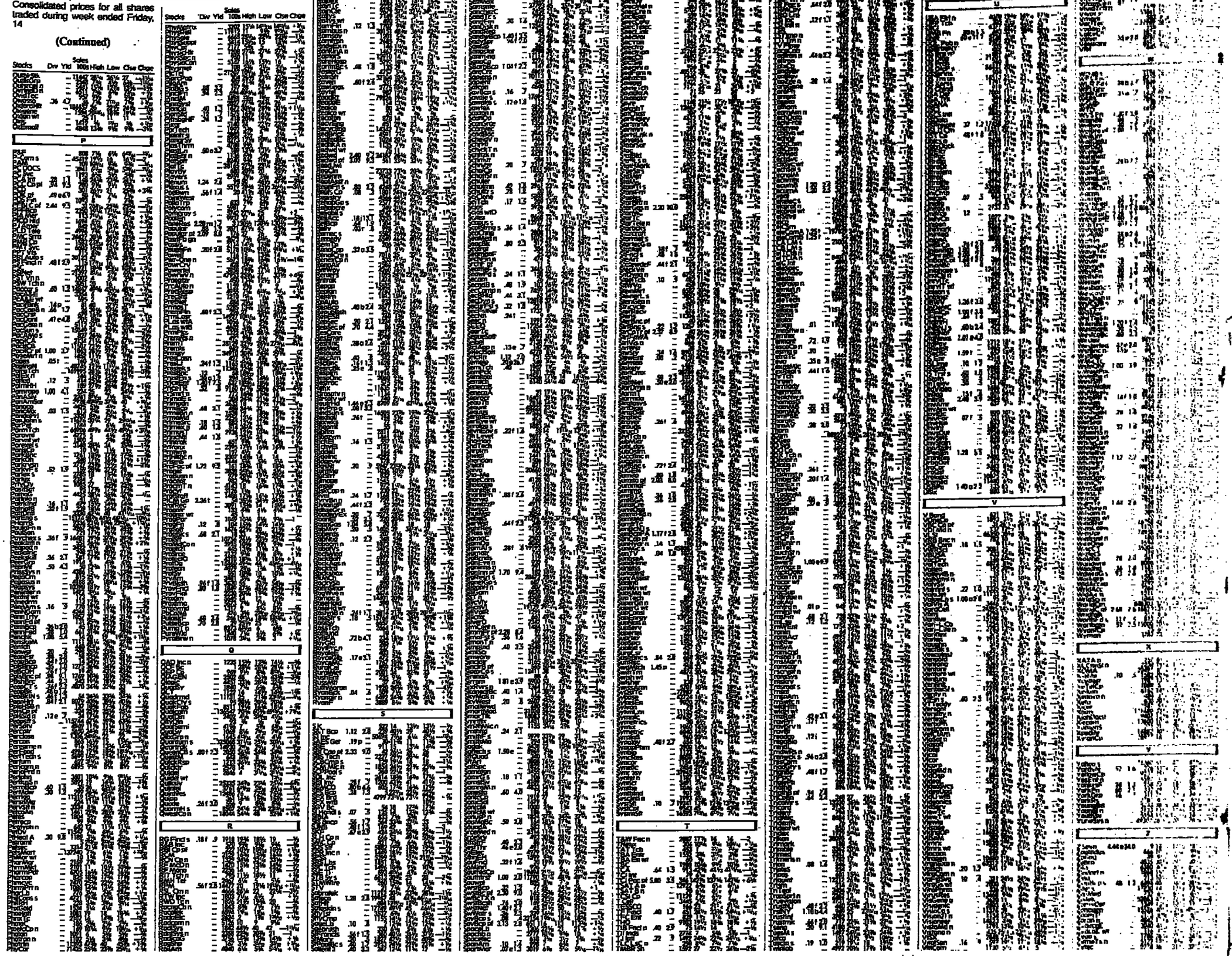


Continued on Page 18

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, 14

(Continued)



DENNIS THE MENACE



PEANUTS



GARFIELD



BEETLE BAILEY



BLONDIE



CALVIN AND HOBBES



WIZARD of ID



NON SEQUITUR



DOONESBURY



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MIDUH

KNACS

GLANID

WASALY



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: _____

(Answers tomorrow)

Saturday's Jumbles: STYLPH PATIO DAMASK BECALM
Answer: Why the swanky shop fired the manicurist – SHE LACKED POLISH

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BELGIUM/LUXEMB.	BEF	3,380	1,350	60%
DENMARK	DKK	760	360	54%
FINLAND	FIM	624	310	50%
FRANCE	FF	520	210	60%
GERMANY	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
HONG KONG	HK$	676	284	57%
ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	43	45%

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As Markets Catch 'Asian Flu,' Investors Start to Despair of an Early Cure

By Brett D. Fromson
Washington Post Service

WASHINGTON — Mr. Market has caught the Asian flu, and investors around the world feel a cold coming on as well.

Over the past two months, every major stock market in the world has been touched by the Asian financial crisis. Morgan Stanley Capital International's world index, which includes 22 countries, has dropped 7 percent since the end of September. U.S. stock markets have dropped about 6 percent in the same period.

That may not sound like much, but the markets have been gyrating up and down wildly, provoking anxiety among all types of investors. One global speculator, a competitor of George Soros, says he has taken to spending nights at his New York office to stay on top of things.

So perhaps now is a good time to take a look at the unfolding Asian crisis and the "contagion" that may continue to affect Wall Street and other financial markets.

The first thing many analysts and investment managers stress about the Asian drama is that it is by no means over. Jeff Uscher, editor of Grant's Asia Observer and a former stockbroker at a Japanese firm in Tokyo, said, "We are at a period of maximum risk right now, and I think the crisis will get worse."

Analysts say the root of the crisis is pretty simple: Too much money flowed into Asian economies in recent years, and too much of it was wasted on bad investments and needless imports. Asian markets became little more than financial bubbles waiting to be popped.

Over the summer, lenders and investors began to lose confidence that they would get their money back. Since then, they have pulled out from country after country — first Thailand, then Indonesia, Malaysia and the Philippines, then Taiwan, and more recently South Korea, Hong Kong and Japan. Asia came to resemble a series of faltering banks facing runs by scared depositors.

As soon as international capital began to flee, the region's currencies and financial markets began to slide. Governments and central bankers tried to stop the tide by jacking up interest rates to make investments in their markets more attractive. But they failed because global investors correctly saw that high interest rates would crush the Asian economies and investments denominated in those currencies.

Normally, a currency crisis passes rather quickly. The currency falls, imports become more expensive, and exports become more competitive. Economic growth slows, but exports soon pick up, imports fall, and the currency stabilizes. The problem this time is that the Asian crash threatens the region's already weak banking system. As foreign money leaves, Asia finds itself with less — and therefore more expensive — capital. Pacific Rim financial institutions are hit especially hard because they have grown dependent on cheap money and easy credit.

"It is not much of an exaggeration to say that we are now witnessing something akin to a plague in Asian banking," said Ray Dalio, head of Bridgewater Associates, an investment-management firm based in Wilton, Connecticut. He expects more than 100 Asian financial institutions to fail in coming months.

An implosion of the Asian banking system could threaten the world economy as well.

"As a result of the Asian crisis, one-third of global economic growth is slowing, if not in recession," said Nancy Lazar, an economist at ISI Group, a New York investment advisory firm.

Mr. Dalio sees what he calls a double whammy for U.S. corporations: Not only will exports to Asia and elsewhere slow, but U.S. companies will face increased domestic competition from goods made in Asia, where currencies have fallen relative to the dollar. He expects Asian currencies to remain low or to be further devalued by governments eager to export their way out of the crisis.

U.S. multinationals such as Dow Chemical Co. and the insurance giant American International Group Inc., which receive more than 25 percent of their profits from Southeast Asia, will see earnings decline, according to Morgan Stanley Dean Witter, Discover & Co.

Technology stocks are expected to suffer too. Morgan Stanley has identified some vulnerable high-tech companies, including the computer-disk maker StorMedia Inc. and the disk-drive maker Seagate Technology Inc., which do a good deal of business in Asia.

A Morgan Stanley global strategist, Barton Biggs, suggested that clients unload technology stocks as well as those of large companies that made up the Standard & Poor's 500-stock index.

"The U.S. equity market could have one final glorious melt-up as the safe haven of last resort," he wrote. "However, I think it more likely that a cyclical bear market has begun."

But a colleague of Mr. Biggs disagreed. The chief U.S. strategist at Morgan Stanley, Byron Wien, said: "There has been an overreaction to the Asian crisis. Will the collapse of overseas markets drag us down? I still think U.S. corporate earnings will be higher in '98 than in '97."

Mr. Wien's bullish view hinges on his expectation that Asia's economic slowdown will be relatively shallow and short-lived.

"The fly in the ointment would be if Korea and Japan have serious recessions and the Asian economies try to flood us with goods," he added.

COMPANIES: *Restructuring Brings Pain, Profits but Few Jobs*

Continued from Page 1

products and services to the metals, construction and oil and gas industries, is being broken up, with 20 percent of the businesses earmarked for closure or sale and the rest being merged into other MAN divisions.

MAN Roland, which makes printing presses, is laying off more than 800 workers, or 10 percent of its German work force, this year.

The parent company this month reported a 21 percent rise in sales in the July-October period, to 6.42 billion DM, and Chief Executive Rudolf Rupprecht said the restructuring changes would have "a remarkably positive impact" on profit. But MAN is investing more of its profit abroad, expanding production of truck parts in Poland and Turkey, where sales are growing quickly.

"The overregulation we are suffering here in Germany has a very big impact on our decisions," Mr. Rupprecht said. "We have no other choice" but to go abroad, he insisted.

As the moves at MAN suggest, many European companies are restructuring more gradually and with less fanfare than many U.S. companies have done. Announcements of large layoffs like the ones this year by the Swedish appliance-maker Electrolux AB and by ABB Asea Brown Boveri, the engineering conglomerate that is moving jobs to Asia, have been relatively rare.

But the cuts have been extraordinarily deep and go a long way toward explaining the double-digit unemployment rates prevailing across much of Europe.

Drawing on data from the Organization for Economic Cooperation and Development, Morgan Stanley estimates that between 1990 and 1996, the manufacturing work force shrank by 17.9 percent in Britain, 17.6 percent in Germany and 13.4 percent in France. In the United States, where restructuring began in the 1980s and where industry has benefited from a relatively weak dollar in this decade, manufacturing employment fell just 6.1 percent.

The scale of the cuts leads Mr. Davidson of Morgan Stanley to conclude that the bulk of the downsizing in Europe is over. But he said the approach of a single European currency and the deregulation of industries ranging from financial services to energy distribution would sustain an unprecedented wave of mergers and acquisitions, the value of which reached a record $294 billion in the first nine months of this year.

"The focus now is much more on the consolidation of industries," he said. "There will be a need for Europeanwide economies of scale." At Renault, the French automaker whose bid to merge with Volvo collapsed in February 1994, management is conducting its own internal pan-European restructuring. The company has shut plants in Vilvoorde, Belgium, and Valladolid, Spain, this year to concentrate the production of each car model at one or two plants and has reached agreements with unions to add a third shift at plants in Valencia, Spain, and Douai, France.

"More and more, the manufacturing is being adapted to the needs of the market," said Carlos Ghosn, executive vice president in charge of manufacturing.

The early results are encouraging. After posting a loss of 5.25 billion francs ($906 million) in 1996, Renault reported an operating profit of 364 million francs for the first half of this year. Car sales rose 11 percent in the first nine months despite a collapse of the French market, and Renault expects to post a modest net profit for the full year. The recovery led the government to appoint advisers last week to consider selling some of the state's 46 percent stake in the company.

Renault has effectively taken a page from the strategy book of Volkswagen AG. VW has been restructuring since 1993, building more models from a common chassis to cut costs. Early this month, Volkswagen reported a doubling of its third-quarter profit, to 364 million DM, and the company has increased its dominant share of the European market to more than 17 percent.

Even with the changes, however, European auto plants trail Japanese and American facilities in terms of productivity. Bernd Pischetsrieder, chairman of Bayerische Motoren Werke AG, said the earnings recovery by Continental companies had been exaggerated by the decline of the mark and the French franc against the British pound and the dollar.

"Yes, there has been progress," Mr. Pischetsrieder said, "but not enough progress." Restructuring has not been confined to Europe's ailing traditional industries. Ericsson, the Swedish electronics company, has risen to the top of the booming market for mobile telephones and communications systems by focusing its efforts on high-growth digital systems and streamlining production.

While Motorola Inc. of the United States has stumbled because of a late switch to digital, Ericsson recently reported its 24th straight quarter of growth, with sales up 44 percent at 112.6 billion kronor ($15 billion) and profit more than doubling, to 2.9 billion kronor.

"We have to continuously rationalize production to meet the price pressures," Lars Stalberg, head of corporate relations, said.

Yamaichi Securities Studies a Break-Up

Reuters

TOKYO — Yamaichi Securities Co., whose share price plummeted last week, said Sunday it was considering a restructuring plan that would split the company into three entities.

The brokerage concern also said it might close some of its overseas operations and reduce staff.

"In order to help rationalize our business operations, we are now considering splitting our business, slimming down our international operations and cutting staff numbers," a senior Yamaichi executive said.

He said all three ideas were still being discussed and that no definite plans had been made yet.

The Nihon Keizai Shimbun reported Sunday that the company would split into a specialized wholesale service for corporate clients, a retail service for individual customers and a company in charge of administrative management.

Yamaichi, the smallest and the most financially troubled of Japan's "Big Four" brokerage houses, would become the first Japanese securities company to split its business operations.

The restructuring being considered includes a gradual withdrawal from unprofitable overseas businesses, mainly in Europe and the United States, the Yamaichi executive said.

On Friday, Yamaichi's shares touched a record low of 96 yen before closing at 100 ($7.94), down 18.7 percent on the day.

Daimler-Benz Sees '97 Profit Rise Despite Cost of A-Class Redesign

Compiled by Our Staff From Dispatches

STUTTGART — The cost of redesigning Mercedes-Benz's A-Class car will not dent Daimler-Benz AG's profit this year or next, Juergen Schrempp, chief executive, has said.

"We will continue the positive earnings trend," Mr. Schrempp said in an interview with the German weekly Focus magazine to be published in Monday's edition.

He said Daimler would produce more than 700,000 cars for the first time in 1997, while truck production would set a record of more than 400,000 units.

Mr. Schrempp said Daimler would not be thrown off course by safety problems that forced the company to interrupt the A-Class rollout only weeks after the car went on sale.

"There is no question that the discussions about the security of the A-Class are a very serious matter and are naturally keeping us busy," Mr. Schrempp said. "But in all divisions of the company we are going full power."

Record production totals would also come with results "in the black," Mr. Schrempp said. Next year, he said, "the positive trend would continue."

Daimler stopped deliveries of the A-Class car last week after a Swedish car magazine found that swerving suddenly could cause the compact car to turn over, even at moderate speeds.

Daimler said it would spend 100 million Deutsche marks ($58 million) this year and 200 million DM next year to make the A-Class more stable.

In the Focus interview, Mr. Schrempp said that the 300 million DM sum was at the upper end of expectations and that costs of correcting the problem were not likely to exceed that level.

He also said Daimler would be more careful in testing the Smart car that is due out next year.

More than 2,000 Mercedes customers canceled orders for the A-class car after a Swedish journalist turned one over which making a difficult turn at 60 kilometers per hour (37 miles per hour) at a "Car of the Year" competition.

Since then, the car has been tested with modifications aimed at making it more stable. The redesign includes new stabilizers, shock absorbers and tires as well as electronic balancing equipment. *(Bloomberg, Reuters)*

U.S.-Japan Air Talks: Both Sides Are Upbeat

Compiled by Our Staff From Dispatches

SAN FRANCISCO — Talks between U.S. and Japanese negotiators aimed at opening Japan's aviation market ended here over the weekend with no agreement, but negotiators from both sides reported progress.

"We have a lot of serious issues to discuss, but I guess what I detected was a new sense of readiness to come to grips with the tough issues," a U.S. official said.

Issues included what steps the Japanese side would take to provide more access to Tokyo's Narita International Airport and whether an interim agreement under discussion would eventually remove all barriers to aviation trade. Officials said they would meet next month in Tokyo. *(Bloomberg, Reuters)*

INVESTMENT OPPORTUNITIES ECUADOR

CORPORACION FINANCIERA NACIONAL (CFN) the major Ecuadorian development bank, with net worth USD. 115,000,000 and productive assets of USD. 600,000,000 as part of the government privatization process, will sell its holdings in the following companies (the sale is expected to take place in December of 1997);

LA CEMENTO NACIONAL C.A. (LCN): This firm is currently operated and owned 52% by the Holderbank Group from Switzerland, CFN owns and will sell as a block 1.98% of the firm. LCN's 1996 profit was of ECS 93,123,000,000 total sales ECS 611,489,000,000 (1USD=4,100ECS September 1997), including cement and other operations, number of employees 1.491. The installed capacity of cement in Ecuador is 3,500,000 MT. LCN's capacity is 2,200.000 MT and by the end of 1997 is expected to produce 2,000,000 MT.

CEMENTOS SELVA ALEGRE C.E.M. (CSA): This firm, also in the cement industry, is operated and owned 51% by Finlatam Group of Spain; CFN owns 22.18%, which it will sell as a block. CSA 1996 sales were ECS 121,592,000,000, number of employees 203. CSA's production by the end of 1997 will be approx. 500,000 MT.

HOTEL COLON INTERNATIONAL (HCI): Currently operated by Hilton International, CFN owns 15%. HCI sales in 1996 were ECS 39,988,391,000 net profit of ECS 6,045,602,000 and total assets ECS 106,719,000,000. HCI's 399 rooms in Quito (830 beds) have a 70% occupancy rate.

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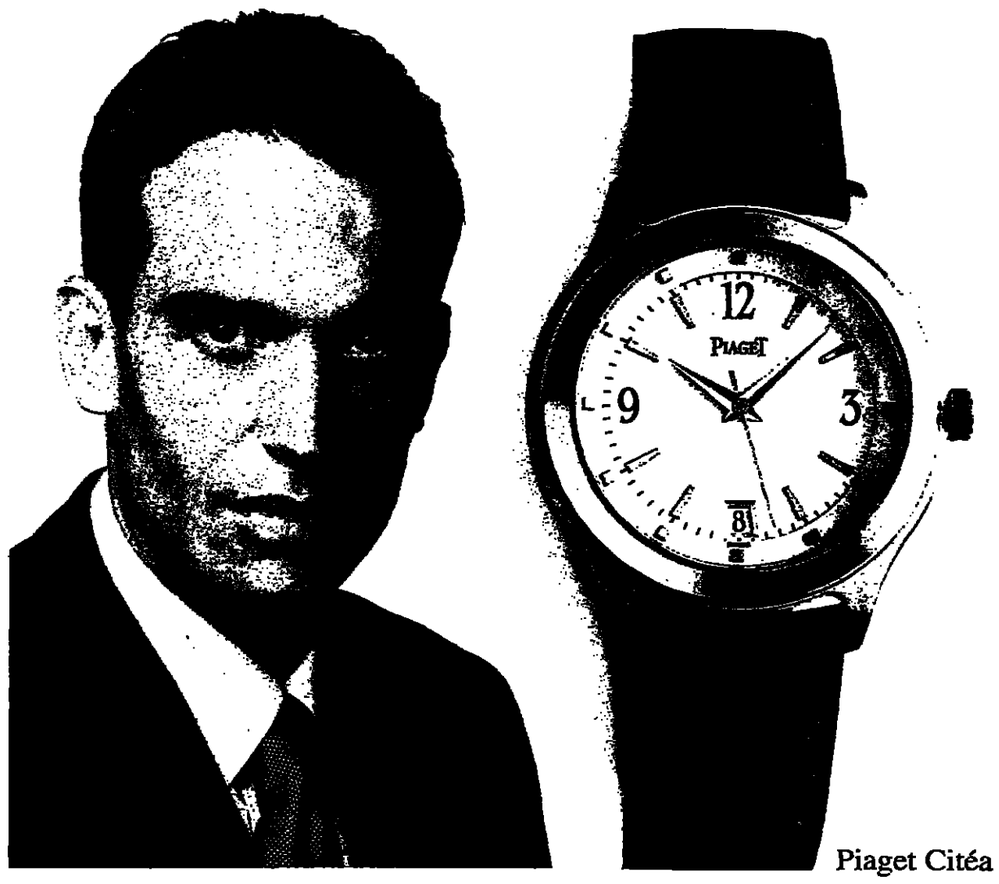
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BUSINESS TRAVEL

LOOKING FOR AN EASIER AND CHEAPER WAY TO FLY

Airlines are teaming up to take advantage of "open skies" agreements.

Has the United States' push toward "open skies" agreements with other countries helped business travelers? The answer is a qualified yes. In general, open-skies agreements — along with code-sharing alliances among airlines — have made it easier, and cheaper, for international business travelers. But not on all flights all the time.

Open skies is an outgrowth of the United States' airline deregulation process, which began in 1978. Reaping the benefits of increased efficiency with lower fares and better service, American airlines want to compete globally without the artificial protection of government regulations and restraints.

Market forces come first

An open-sky agreement between countries means that airlines can fly between any city in those countries, whenever they like, wherever they like, charging whatever fares they like. Market forces, not government regulations, take precedence in setting services and fares.

In general, countries participating in open-skies agreements with the United States — about two dozen so far — are pleased. The U.S. State Department says that since the United States and the Netherlands signed an open skies treaty in 1992, the number of flights between the two countries has doubled and the number of passengers has more than tripled.

The United States and Canada entered an open-skies agreement in 1995, and in the first two years Air Canada introduced 34 new flights to the United States. "Open skies has been an unqualified success for Air Canada," says Lamar Durrett, Air Canada's president and chief executive officer. "Business travelers, in particular, appreciate the benefits of Air Canada's open-skies strategy of offering fast, point-to-point service with no stops, no hubs and no hassles."

A win-win situation

Ted Clay, a Delta spokesperson, concurs. "Open skies leads to increased competition and better air service and encourages carriers to move into markets to enhance the bottom line," he says. "It's always a win-win situation for a carrier."

According to David Fuscus, a spokesperson for the Air Transport Association of America, "the main advantage of open skies is flexibility for airlines to do what they want."

In general, what airlines want to do is offer more service at lower prices with better efficiency — and higher profits. But open skies has not necessarily led to lower prices and better service for business travelers, Mr. Fuscus adds: The situation varies from market to market, schedule to schedule.

Open skies agreements have become a priority for the United States Department of Transportation, particularly with high-traffic countries such as Britain and Japan. A study by Roberts Roach & Associates of Hayward, California estimates that an open skies treaty between the United States and Britain would result in 463 additional weekly flights between the two countries.

"Open skies will open the floodgates to dramatic increases in service by every one of the alliance's existing competitors and by any other U.S. and [British] carrier that wants to enter the market," the study says, adding that it would mean $108 billion and 153,00 new jobs for the U.S. economy over five years.

Code sharing

Meanwhile, code-sharing — alliances in which airlines share booking systems and put passengers on each other's flights — has more than tripled over the past five years, according to a report from the U.S. government's General Accounting Office.

"In general, the more global the scope of the code-sharing arrangement and the greater the degree of integration achieved by the airlines in scheduling, operations and frequent flier programs, the larger the benefits are for partners," the GAO report says. "Conversely, the impact on other U.S. airlines in terms of reduced ridership and revenues depends on an alliance's geographic scope and integration, the other airline's competitive responses, and the extent to which competition between that alliance and the others airlines stimulates new traffic."

The Lufthansa and United Airlines code-sharing agreement, one of more than 60 involving U.S. carriers, saves the two airlines $40 million a year in efficiency costs and gives them additional passengers — most of them business travelers — every day, according to a report from Washington-based analyst Clyde Prestowitz.

Code sharing has not been confined to alliances with U.S. carriers. KLM and Sun Air, a South African airline, announced an agreement earlier this year that allows passengers to check baggage in Durban and collect it in New York or Edinburgh after changing planes — and airlines — in Amsterdam. Those passengers can get all their boarding passes in Durban before beginning their journey.

Some surprises

Rudi Seiberlich, president of the Association of International Travel Agents, based in Switzerland, confirms that open skies and code-sharing have led to lower prices for many travelers. However, he adds, they are often surprised to find that part of their trip, and sometimes all of it, is not on the airline they thought they had booked.

"It will be one of the airlines within the alliance," he says. "But it's really hard to tell, especially for international flights. Travel agents will not — without having been asked — disclose the airline the passenger is actually flying."

That's one of the reasons that business travelers who really care about which airline they fly should make a point of always asking their travel agents whether they will be changing airlines at any time during an itinerary.

Code-sharing may save money on current fares, but industry analysts fear it could decrease competition in the long run. Large multicarrier alliances could deny access to their shared markets by other airlines, thereby stifling competition. And airlines could decide that they don't need new large planes — the kind that offer more economical fares on long-haul international flights — because code-sharing will allow them to plug those passengers into the code-sharing network of shorter, more expensive flights.

Tracking down fares

Another potential problem with code-sharing is that since the same flights can be listed two or more times — once for each airline in the code-sharing alliance — it becomes more difficult, and more time-consuming, for travel agents to find the best fares. Studies show that travel agents tend to book flights from the listings that pop up first on their computer. If all the first listings are from airlines within a single code-sharing alliance, the agent may not scroll or page deeply enough to find alternative flights that could be cheaper.

The bottom line is that while open-skies agreements and code sharing do sometimes offer better service and lower fares for business travelers, the benefits are more likely to be realized by savvy business travelers — or their savvy travel agents.

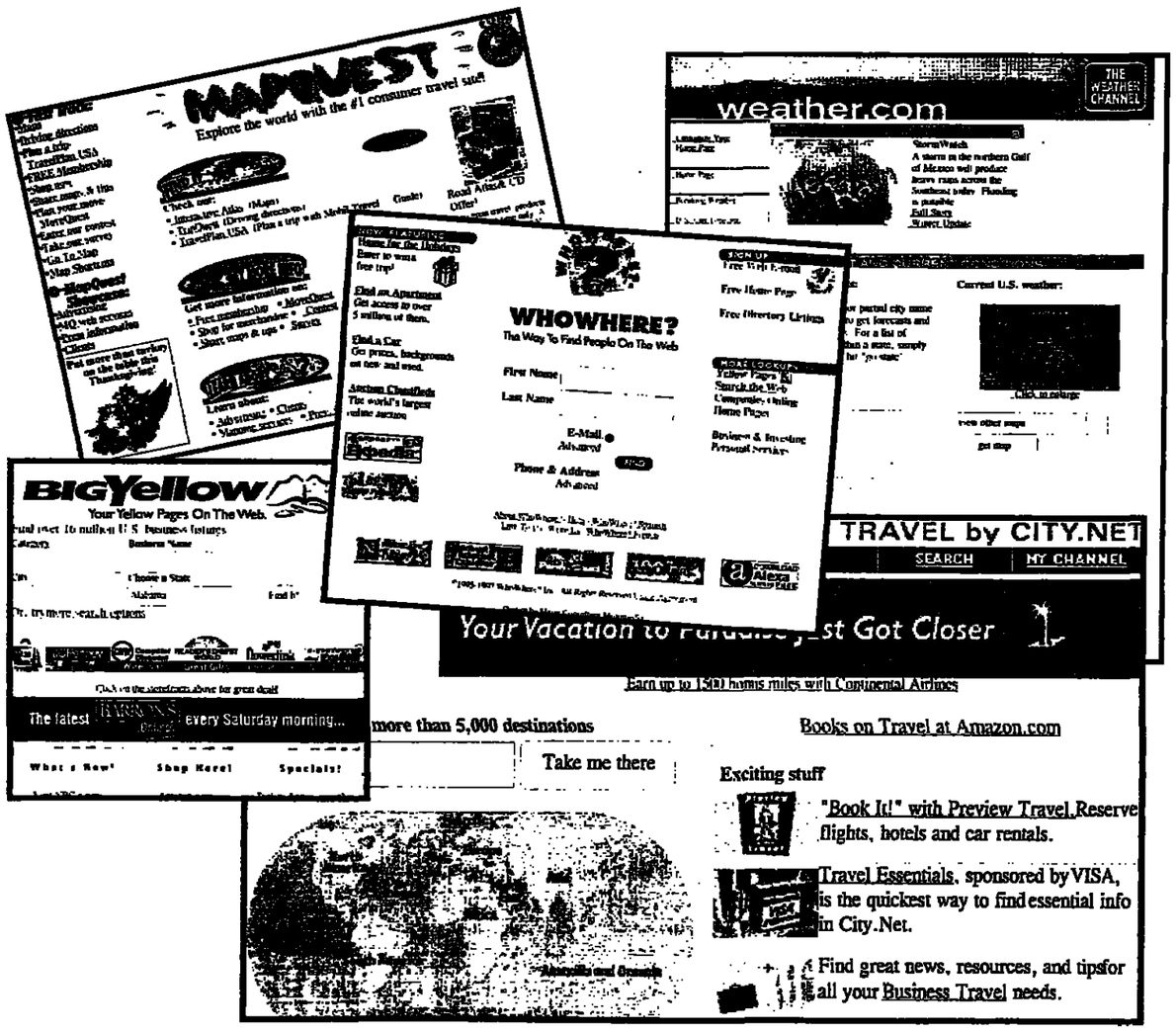
Timothy Harper



PA/S.A.

Open skies agreements enable airlines to offer more service at lower prices (and higher profits), but what's best for airlines may not necessarily be so for travelers.

A SELECTION OF WEB SITES FOR BUSINESS TRAVELERS



General Interest

- www.travel.state.gov: U.S. Department of State. World travel warnings and advisories.

Weather

- www.intellicast.com: Intellicast. Weather site linked to NBC for U.S. and foreign weather.

www.weather.com: The Weather Channel.

Online Reservations

- www.travelweb.com: Airline reservations, hotel searches and reservations, and links to travel topics.
- www.travelocity.com: Airline and hotel reservations, including "live chat" for travelers.
- www.thetrip.com: Air travel reservations, flight status, hotel and motel listings and reviews, city guides, travel suggestions.

Specialized Sites

- www.city.net: Descriptions of more than 5,000 cities worldwide.
- www.citysearch.com: CitySearch. Much information on several cities in the United States.
- www.mapquest.com: Includes personal map maker and interactive world atlas. An interactive U.S. route maker for automobile travel.
- www.rubicon.com/passport.html: Rubicon Digital Passport. Interactive currency converter and listings of international holidays, airports, embassies.
- www.supporthelp.com: Information on technical support phone numbers, Web sites, news groups and bulletin boards for more than 2,500 sellers of computer products.
- www.metro.jussieu.fr:10001/bin/cities/english: Offers information on subway stations worldwide, calculates routes and travel times.
- www.travelstuff.com/plglist.html: Travelers Emporium. International electrical/telephone plug and power standards.
- www.travelersaid.org: Travelers Aid International. Includes Travelers Aid program contact news for U.S. and several cities abroad.
- www.krollassociates.com: Kroll Travel Watch. Sample travel advisories for cities throughout the world. Full advisories may be faxed for a charge of $9.95.

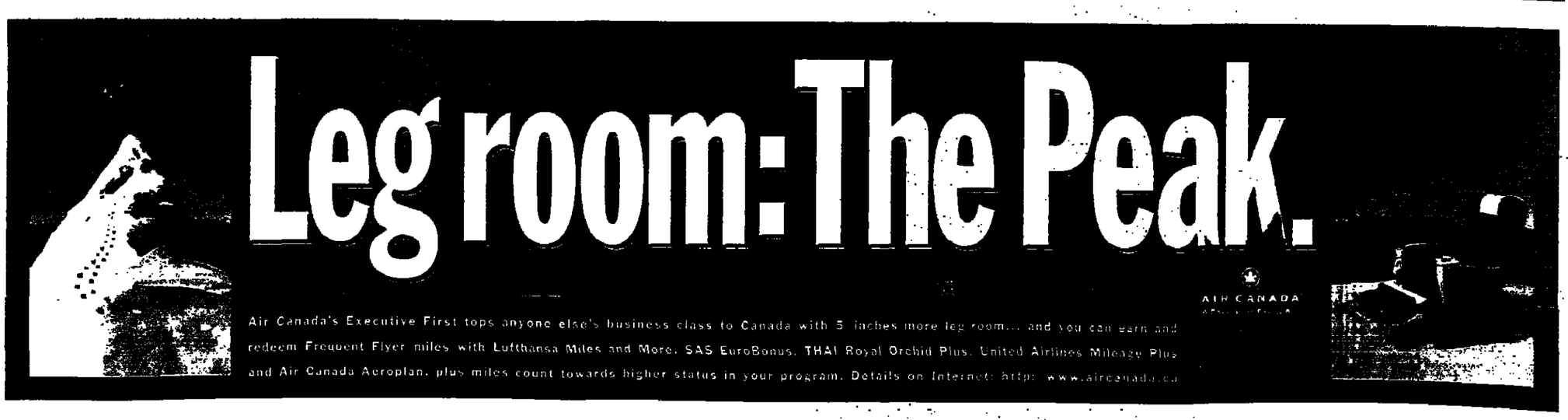
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- www.bigyellow.com: Big Yellow. Business listings, by category.
- www.four11.com: Four11. Directory assistance for telephone numbers.
- www.switchboard.com: Switchboard. Directory assistance for telephone numbers.
- www.whowhere.com: WhoWhere. Help in locating people by name or location.

Others

- www.aol.com/netchannels/travel.html: America Online's own guide to domestic and foreign travel. Includes Fodor's Travel Online, which reviews hotels and restaurants and offers a trip planner; Preview Travel, which makes airline and hotel reservations; and many discounts through America Online.
- www.hutchinson.ultranet.com/~mes/biztrav.htm: Known as the Steinberg Business Traveler Information Network, this on-line travel site has recent articles on business travel; links to shareware, freeware and Demoware for business travelers; and specific information on restaurants and hotels in many cities.

T.H.



هكذا من الأصل

BUSINESS TRAVEL

STRESS: WHY MEN ARE MORE VULNERABLE

Women seem better able to cope with the rigors of travel.

Long lines, unexpected delays, crowded flights, missed connections, lost hotel reservations, jet lag — not to mention worrying about whether or not the client will sign the contract you have worked so hard on — the list of potential causes of stress while traveling on business could go on and on.

For those who tend to pooh-pooh the effect of stress on business travelers (notably the boss who expects you in on time the day after your return), a recent study conducted by the World Bank shows that the negative effects of business travel are real, especially for men. The study of the health claims of 5,000 World Bank employees showed that men who traveled on business filed 80 percent more health claims of all sorts than men who did not. For women, who seem to be better copers, the comparable figure was only 18 percent. Claims for psychological disorders for those who traveled were double the number for those who didn't.

Another study, conducted by Hyatt Hotels Group on a sample of 500 American executives, found that 24 percent of the respondents had negative reactions to business travel; 75 percent of this segment found it stressful.

Take the day off

So what is a stressed-out voyager to do? The authors of the World Bank study suggest that employers give traveling businesspeople a day off at the end of a trip, which would certainly help them to recover from jet lag and loss of sleep and catch up on their home lives.

There are other ways to cope in this era when employers are cutting back on expenses and forcing itinerant employees to travel in economy class and stay in less-luxurious hotels.

A good night's sleep is a priority for any traveler and especially for those who have an important meeting in the morning. Just being in a strange room can disrupt the sleep of many travelers, and things get worse when jet lag and intrusive noises like the toilet flushing in the next room are added into the equation.

Some hotels offer special rooms to help travelers sleep well and recover from jet lag. The Hotel Okura in Tokyo has a plan that includes a workout in the health club, a massage chair, a light box, relaxation videos and a diet designed and timed to help reset your body clock. ITT Sheraton offers a similar anti-jet-lag "Body Clock Cuisine" at some of its hotels. Hilton has been testing "Sleep-Tight" rooms that are quiet, comfortable and equipped with anti-jet-lag gadgets.

Special concerns for women

Even though the World Bank study seems to indicate that women are able to cope better in the long run, business travel has its own special sources of stress for them (and women now represent 25 percent of business travelers in the United States). Restaurant staffs seem to be universally disdainful of the solo female diner, giving her the worst table and poor service, and hotels rooms often do not feel like havens of security when you are a woman alone. One solution might be Global Network (tel.: 44-171-722 9565; fax: 44-171 722 9606), an organization that puts female business travelers who are staying in the same place at the same time in touch with each other so that they will have a companion in the evening. It also has a database of hotels, restaurants and travel services that are sensitive to the needs of female travelers.

Different nationalities have different ways of dealing with stress. The economic crisis in Thailand, for example, has driven many Thais to Buddhist temples to relieve their anxiety. Stressed-out French workers turn to thalassothérapie, sea-water treatments that they swear by as a cure for all that ails you. When possible, one of the best ways to avoid stress on a business trip is to organize a meeting in a resort, where off-hours can be spent swimming, sunning or relaxing in the hotel spa. In France, you can try out the soothing effects of thalassothérapie at places like Le Richelieu, a hotel/spa on the picturesque Ile de Ré, an island off La Rochelle, where meetings can be followed by a massage, sea-water treatments, a dip in the ocean or pool, and a choice of gastronomic or dietetic meals.

And don't rule out stress management courses as a way of handling the strains of business travel. In addition to teaching techniques for dealing with stress, they may have another, hidden advantage: A recent study showed that heart patients who participated in this type of program reduced their risk of heart attacks or the need for surgery by 74 percent.

H.E.



Woman can handle the stress of business travel, but new products and services may help even harried males.

PIX SA

THE LATEST WEAPONS FOR ROAD WARRIORS

The choice ranges from snore-busters to compact carry-ons.

Airlines are getting tough about carry-on luggage in reaction to abuses by passengers, and since most business travelers can't bear the idea of hanging around the baggage carousel, that means packing smart.

We all know about the godsend of those compact suitcases with wheels and telescoping handles that airline hostesses are always trundling effortlessly behind them as they zip through customs. But make sure that yours isn't one of those unstable contraptions that wobble wildly when you are running down the moving walkway to catch a flight and finally tip over, forcing you to stop and lose precious time righting it. And watch out for telescoping handles that refuse to telescope when you are checking in for your flight, causing impatient passengers waiting in line behind you to curse and mutter. Samsonite's EZ Cart Four-Wheel luggage has wide-set wheels to improve stability and strap systems for attaching other bags.

27 percent of frequent travelers carry a laptop computer, making that wheeled suitcase even more of a necessity

Portables and pillows

Technology is a wonderful thing, too, but it's heavy. Business travelers are now expected to carry laptop computers, portable phones, digital cameras, etc. A recent study of 5,000 frequent travelers showed that 27 percent carried a laptop computer, making that wheeled suitcase even more of a necessity since you can attach your computer case to it. Travelpro's new BusinessPlus Rollaboard® has a hidden, padded computer compartment, sidewall straps for a portable printer and accessory pockets for cables and diskettes, turning the suitcase into a carry-on portable office.

A relaxing flight is important to the success of a business trip. You've seen people with those vaguely ridiculous-looking U-shaped inflatable pillows and wondered if they were worth it, but the latest thing is the Bucky pillow, filled with — of all things — buckwheat hulls, which are said to provide the ultimate comfort by molding to just the right shape.

Snoring or strips?

If you have the embarrassing (and irritating for your neighbors) problem of snoring during an in-flight nap, try 3M Breathe Right nasal strips, which when attached to the bridge of the nose are supposed to help keep your nasal passages open and prevent snoring. Now the question is, which is more embarrassing: snoring or wearing these strips on your nose?

Once you have arrived at your destination, you might have a better chance of getting a good night's sleep in a hotel in a strange city if you drown out the noise of street traffic, amorous or quarrelsome neighbors and slamming doors with Sharper Image's Ultra Heart and Sound Soother®, which lets you choose between the comforting sounds of ocean waves, gentle rain, forest sounds, white noise, a heartbeat and so on.

When you finally venture out into the street, you'll need to know where you're going. Before you even leave home you can print out a detailed map of your destination if you have mapping software like Global Explorer on your computer. Or you can take it with you on your laptop for on-site consultations.

Heidi Ellison

"BUSINESS TRAVEL"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
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PROGRAM DIRECTOR: *Bill Mahder.*

GETTING THE MOST VALUE OUT OF YOUR HOTEL

Hotel rates are up again, but here are some ways to cut costs.

While prosperity has returned to the United States and parts of Europe, the recession has left lingering after-effects.

Business travelers have gotten into the habit of cutting costs and corners, and in the process have become more demanding of value for their money. At the same time, hotel rates are rising in most places, a trend that is expected to continue into next year. How can business travelers cut costs without sacrificing the amenities they need?

What travelers want

First, let's look at what business travelers want from a hotel. They are looking for meaningful services — the things they really need, which are not necessarily the same things that a hotel thinks they want. Work comes first on a business trip, and computer, modem and e-mail connections, fax machines and mobile phones are priorities.

Time is always at a premium, and long waits at the reception desk are a frustrating waste of time that might make the guest late for an appointment. This means that express check-in and check-out are a priority for the traveling titans of business.

Everyone wants to travel with as little luggage as possible, of course, so that in-room hairdryer and overnight pressing service are other appreciated amenities.

Downsizing the luxury

For a quick overnight stay, when a wide range of services is not necessary and there is not even enough time to enjoy them, business travelers can save money by staying in a budget hotel with minimal services and low prices.

But such a drastic response to high hotel prices as staying in a Motel 6 or a Formule 1 is not always necessary. Just downsizing the luxury level of the hotel by one or two ratings stars and forgoing the complimentary fruit basket can save a bundle.

Watch your phone bill

Another way to reduce costs is to use a credit card or mobile phone rather than the hotel phone, as many hotels, especially on the luxury end, charge exorbitant rates for the use of their phone system. The markups can vary widely, even among hotels that are part of the same chain.

Some hotels have even taken to blocking the use of calling cards or charging a fee for their use to protect their telephone profits.

As telephone charges are rarely explicitly stated, always ask about them before settling in for a long conversation. Using e-mail and faxes for your communications may save some money, although if you are paying inflated prices for the phone line, it won't help much. Some hotels, like the Britannia in London, are beginning to install fiber-optic cables and servers, allowing guests high-speed access to the Internet from their rooms and bypassing the hotel phone system.

The AT&T Global Hotel Program lists hotels with lower rates or that do not have access charges for calling card use. If your mobile phone doesn't work in the country you are traveling to, you can rent one on-site.

Finally, ask about discounts at hotels and corporate rates to avoid paying full prices. And the frequent-stayer programs offered by many hotel chains include such benefits as room upgrades, early check-in and late check-out, and access to executive lounges.

H.E.



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David Jones/Agence France-Presse

Wales' Gwyn Jones looking for help during his team's game Sunday against Tonga before a small crowd in Swansea. Wales prevailed, 46-12.

Aussies Waylay British

Compiled by Our Staff From Dispatches

Australia beat Britain, 37-20, at Leeds on Sunday to win the three-match rugby-league series, 2-1.

Britain had won in Manchester eight days earlier to even the series and raise the possibility that it could beat Australia in a test series for the first time in 27 years. That hope vanished in the first few minutes Sunday.

Ken Nagas gathered a kick ahead in the first minute and scored untouched. Wendell Sailor then carried three British tacklers over the line to score the second try. Sailor and captain, Laurie Daley, exploited British errors to score, and Australia led, 25-2, at halftime.

Australia finished with seven tries. Simon Houghton, twice, and Jason Robinson scored late tries for Britain. "We went out there and blew them off the park," said John the Australia's coach.

The touring team represented only the Super League, Rupert Murdoch's half of the Australian Rugby League, which traditionally runs the game and which has been split by a bitter dispute with the media mogul.

In Rugby Union games:

Wales 46, Tonga 12 Gareth Thomas scored two tries as Wales crushed Tonga on Sunday. Wales' stadium in Cardiff is being rebuilt, so the match was played in Swansea and drew only 6,000, the lowest recorded crowd for a Welsh international match at home. Wales had already decided to play its next "home" test at Wembley Stadium in London.

France 32, South Africa 36 South Africa held off a fierce French comeback in Lyon on Saturday. For the first hour France could only answer the visitors' five tries with five successful penalty kicks by Christophe Lamaison. Dick Muir, Percy Montgomery and Pieter Roussow scored first-half tries for the Springboks. James Dalton and James Small touched down early in the second half, and after 60 minutes South Africa led, 36-15.

Ireland 15, New Zealand 63 Ireland had the temerity to take the lead twice against the visiting All Blacks in Dublin, but was still soundly beaten on Saturday. Ireland's captain, Keith Wood, scored tries in the 17th and 29th minutes, and after the second, his team led, 15-11. But New Zealand led, 27-15, by halftime and then blitzed Ireland to finish with seven tries.

England 15, Australia 15 Clive Woodward, England's new coach, picked five debutantes for the match against Australia at Twickenham with mixed results. England's pack of forwards, with new boys Andy Long and Will Green in the front row, struggled to hold the Australians. If it had not been for the inaccurate kicking of John Eales, the Australians could have won. George Gregan and Ben Tune scored tries for Australia. Joe Roff, who took over the kicking from Eales, booted five points. *(Reuters, IHT)*

Eddie Arcaro, Racing's King, Dies

By Joseph Durso
New York Times Service

Eddie Arcaro, 81, the master of thoroughbred racing for 31 years as America's premier jockey — who five times won the Kentucky Derby and twice swept the Triple Crown — died Friday after a long illness at his home in Miami.

For 24,092 races, from May 18, 1931, when he rode his first race, until Nov. 18, 1961, when he rode his last, George Edward Arcaro was the kid from Cincinnati who became the king of the jockeys.

He won 4,779 of his races, he won $30 million in purses, he dominated major stakes in America and he won the respect and the ranking that only Bill Shoemaker approached on 20th century racetracks.

He rode the great horses of the mid-century: Kelso, five straight times voted the Horse of the Year; Whirlaway, Citation, Bold Ruler, Nashua, Native Dancer, Assault, Hill Prince, Sword Dancer and Jaipur.

He also won the Preakness six times and the Belmont Stakes six times. He won the Suburban Handicap eight times and the Jockey Club Gold Cup 10 times.

Arcaro did it all with a street-smart sense that made him a natural in race-riding, a remarkable combination of grace and power on a thousand-pound horse traveling 35 miles (55 kilometers) an hour for high stakes. He rode with rare technical gifts, but mostly with an uncanny sense of mission that he seemed to share with his horse.

He had firm but sensitive hands and a sure sense of pace. And he rode with a casual elegance that did not always hide his intensity.

"He was like an extension of me out there," said Jimmy Jones, the long-time trainer for Calumet Farm. "He was the perfect extension of the trainer on the horse. And nobody had his sense of the way the race was being run."

In the space of seven years, he did what no other jockey has ever done: win the Triple Crown twice. He did it in 1941 with Whirlaway, in 1948 with Citation — both colts from Calumet Farm — winning the Kentucky Derby, Preakness and Belmont within five weeks' time. And he rode horses to the sport's ultimate honor, the title of Horse of the Year, eight times: Whirlaway in 1941 and 1942, Citation in 1948, Nashua in 1955, Bold Ruler in 1957, Sword Dancer in 1959 and Kelso in 1960 and 1961.

He was asked many times which of his renowned horses was the greatest, and he replied: "Citation was the best 3-year-old I ever rode. Kelso was the best horse of any age."

He was the jockey crouched in the saddle wearing the silks of Calumet Farm in the days when Ben and Jimmy Jones trained the stable into an empire that ruled the sport of kings. And like Joe DiMaggio in baseball, he symbolized the exploding role of the hero in sports in the middle decades of the century.



AP

Arcaro, who won 4,779 races and $30 million in purses in 31 years.

He also made history behind the scenes. With his fellow jockeys Sam Renick and Johnny Longden, he founded the Jockeys' Guild and served as its president from 1949 until he retired 12 years later. The guild, during his tenure, took the first steps toward providing financial support, old-age care, life insurance and health insurance.

Triumph to Tragedy: Milburn's Fate

By Mike Penner
Los Angeles Times Service

Was foul play a factor in the death of Rod Milburn?

Only if the reference is to the course of Milburn's life after his triumph in the 110-meter high hurdles at the 1972 Munich Olympic Games.

Twenty-five years after winning that gold medal, Milburn, 47, was scraping together a living as a utility crewman at the Georgia-Pacific Corp. paper mill in Port Hudson, Louisiana.

Milburn needed the work, having taken the job in 1988 after being dismissed as the track coach at his alma mater, Southern University, in 1987.

Among his assignments at the mill: unloading rail cars carrying liquid sodium chlorate, a chemical used to bleach paper. Milburn, a member of the U.S. Track and Field Hall of Fame, was found dead Tuesday night in the bottom of one of those cars that was half-filled with the liquid. His body was covered with chemical burns.

According to sheriff's detectives investigating the death, Milburn was midway through the task when he apparently was overcome by fumes and fell into the solution. Investigators are classifying his death an accident.

"If he had come along maybe 10 years later, it might have been a different story," says Pete Cava of USA Track and Field. "If he had been born in 1960, instead of 1950, he'd have been right there with Greg Foster and Roger Kingdom, who were able to make a substantial living" as professional hurdlers.

Johnny Thomas, the current track coach at Southern, said, "He would have been a millionaire.

"See, what happened to Rod is that he came along at a bad time in track and field," Thomas added. "When Rod won the Olympics in '72, he didn't get a big fanfare. Because he was from a small school like Southern University, nobody made a big deal about it. And because he was such a quiet, inward person, he didn't sell himself, like Willie Davenport did."

When Milburn, then 22, won his gold medal — in a world-record time of 13.24 seconds — professionals were not allowed to compete in the Olympics. Then, in 1973, Milburn relinquished his eligibility by turning pro while helping found the International Track Association, a professional circuit that died shortly after the 1976 Montreal Games. As a professional, Milburn was banned from those Games.

Thomas believes Milburn deserved much better.

"He was one of the originators of the pro tour, but the problem was, all the people he brought along with him were losers," Thomas says. "Not losers as people, but none of them were Rod Milburn."

Harvard Stays On Track for League Title

The Associated Press

BOSTON — Rich Linden ran for one touchdown and passed for two others as Harvard clinched at least a tie for its first Ivy League championship since 1987 with a 33-0 victory over Penn.

Harvard (8-1, 6-0) ended a string of five consecutive losses against Penn (5-4, 4-2) on Saturday, as the Crimson defense manhandled the Quakers. Harvard can complete its first unbeaten season in the Ivy ranks with a traditional windup at Yale next week.

THE IVY LEAGUE

Linden, who completed 18 of 27 passes for 212 yards, took charge at the outset, throwing three passes for 53 yards before Chris Menick ended a 73-yard drive with a four-yard run the first time Harvard had possession. The touchdown was Menick's 13th of the season.

Dartmouth 13, Brown 7 In Hanover, New Hampshire, Peter Sellers threw a 29-yard touchdown pass to Zach Ellis with 20 seconds left to give Dartmouth a victory and keep alive hopes of a tie for the Ivy League title.

Sellers, who completed only 8 of 26 passes for 104 yards and three interceptions, hit three of those passes for 63 yards as he drove the Big Green 87 yards for the winning score.

Princeton 9, Yale 0 Quarterback Harry Nakielny came off the bench to throw a fourth quarter touchdown pass that helped Princeton to a victory.

Nakielny, the Tigers' regular quarterback, injured his ribs last week against Penn, and junior John Burnham made his first career start and completed 8 of 14 passes for 87 yards before being relieved by Nakielny with 5:12 remaining in the third quarter.

Nakielny threw a 30-yard scoring pass to Phil Wendler with 9:08 left in the game.

Princeton is constructing a new stadium and played the game at Giants Stadium in East Rutherford, New Jersey.

Cornell 33, Columbia 22 Brad Kiesendahl ran for three touchdowns as host Cornell scored 30 unanswered points to beat Columbia in Ithaca, New York.

Columbia was up 14-3 in the second quarter when Kiesendahl sparked a Big Red comeback and scored on a 13-yard run. John McCombs kicked a 35-yard field goal in the third quarter for Cornell (5-4, 3-3 Ivy).

Columbia (3-6, 2-4) scored with three minutes left in the game when Brad Thomason threw a 26-yard touchdown pass to Justin Meadlin.

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	6	3	.667	—
New York	6	3	.667	—
New Jersey	4	3	.571	1
Orlando	5	4	.556	1
Boston	4	5	.444	2
Washington	4	5	.444	2
Philadelphia	2	6	.250	3½

CENTRAL DIVISION

	W	L	Pct	GB
Atlanta	9	0	1.000	—
Charlotte	5	3	.625	3½
Milwaukee	5	3	.625	3½
Chicago	6	4	.600	3½
Cleveland	4	4	.500	4½
Indiana	4	5	.444	5
Detroit	4	6	.400	5½
Toronto	1	8	.111	8

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
San Antonio	6	3	.667	—
Minnesota	5	3	.625	½
Utah	5	4	.556	1
Vancouver	4	5	.444	2
Houston	3	4	.429	2
Dallas	3	5	.375	2½
Denver	0	8	.000	5½

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	7	0	1.000	—
Phoenix	5	1	.833	1½
Portland	6	2	.750	1½
Seattle	6	3	.667	2
Sacramento	2	7	.222	6
L.A. Clippers	1	7	.125	6½
Golden State	0	8	.000	7½

FRIDAY'S RESULTS

Toronto 31 24 17 27—99
Boston 31 22 24 26—103
T: Williams 9-15 4-5 25, Stoudamire 5-13 7-9 17; B: Walker 9-17 4-6 22, Billups 5-14 9-10 22. Rebounds—Toronto 48 (Williams 12), Boston 56 (Walker 18). Assists—Toronto 21 (Stoudamire 9), Boston 25 (Walker 5).

Miami 20 18 12 28—78
Indiana 28 15 22 17—82
M: Brown 9-18 3-3 21, Austin 7-14 2-6 16; I: Miller 7-15 7-7 21, Smits 7-16 3-4 17. Rebounds—Miami 48 (Brown 10), Indiana 58 (A.Davis 13). Assists—Miami 18 (Hardaway 8), Indiana 17 (Jackson 9).

Denver 18 21 18 28—85
Orlando 30 23 31 19—103
D: Newman 10-16 3-4 23, Goldwire 5-7 2-2 13; O: Grant 10-15 1-2 21, Outlaw 7-10 4-6 18. Rebounds—Denver 42 (Garrett 7), Orlando 54 (Outlaw 11). Assists—Denver 17 (Goldwire, Jackson 5), Orlando 29 (Armstrong 9).

Sacramento 16 21 25 41—103
Atlanta 22 28 24 30—104
S: Richmond 8-18 5-6 23, Abdul-Rauf 7-15 6-6 20; A: Laettner 7-12 4-4 18, Henderson 7-11 3-7 17. Rebounds—Sacramento 55 (Owens 8, Williamson 8, Polynice 8), Atlanta 56 (Laettner 17). Assists—Sacramento 23 (Richmond 6), Atlanta 22 (Blaylock 9).

L.A. Lakers 23 30 16 22 10 12—113
Houston 20 18 22 31 10 2—103
L.A. Lakers: Van Exel 12-25 5-5 35, O'Neal 8-18 8-13 24; H: Drexler 11-25 10-13 35, Willis 9-17 2-2 20. Rebounds—Lakers 57 (O'Neal 13), Houston 66 (Barkley 22). Assists—Lakers 21 (O'Neal 8), Houston 25 (Drexler 7).

Charlotte 25 20 19 28—92
Chicago 35 22 26 22—105
C: Phills 6-13 2-4 14, Geiger 5-9 4-5 14; C: Jordan 12-24 2-2 28, Kukoc 6-10 4-5 18. Rebounds—Charlotte 47 (Geiger 9), Chicago 54 (Rodman 14). Assists—Charlotte 26 (Wesley 6), Chicago 23 (Jordan 7)..

Seattle 22 22 25 35—104
Utah 31 26 24 29—110
S: Schrempf 8-14 9-10 26, Payton 7-15 7-8 21; U: Malone 7-12 9-12 23, Hornacek 8-14 5-5 23. Rebounds—Seattle 41 (Baker 12), Utah 49 (Malone 12). Assists—Seattle 17 (Anthony 5), Utah 24 (Eisley 6).

Phoe. 21 27 22 28 8 13 10 11—140
Port. 29 21 22 26 8 13 10 10—139
Phoenix: Manning 14-21 7-8 35, Chapman 11-25 3-4 28; Portland: Rider 12-36 6-8 35, Grant 13-19 8-10 34. Rebounds—Phoenix 66 (Johnson 13), Portland 77 (Grant 17). Assists—Phoenix 33 (Kidd 16), Portland 29 (Sabonis 7).

SATURDAY'S RESULTS

Indiana 26 23 26 30—105
Toronto 20 24 17 16—77
I: Mullin 9-11 2-2 20, Smits 8-13 3-4 19; T: Wallace 7-16 3-3 17; Stoudamire 4-8 2-2 10, McGrady 5-11 0-0 10. Rebounds—Indiana 52 (Jackson 10), Toronto 34 (McCrady 11). Assists—Indiana 34 (Jackson 11), Toronto 27 (Stoudamire 14).

Sacramento 27 19 13 28—87
New York 29 23 32 30—114
S: Richmond 6-15 5-7 18, Funderburke 6-11 3-3 15; N.Y.: Ewing 7-9 3-5 17, L.Johnson 4-10 6-6 14, Houston 5-8 4-4 14, Mills 5-13 3-3 14. Rebounds—Sacramento 40 (Owens 5), New York 48 (Oakley, Dudley 10). Assists—Sacramento 25 (Richmond 10), New York 24 (Houston, Childs 6).

Boston 27 18 26 36—107
Philadelphia 20 26 27 28—101
B: Walker 9-23 5-8 25, McCarty 8-11 3-4 19; P: Stackhouse 8-16 6-7 23, Coleman 5-10 6-10 16. Rebounds—Boston 49 (Walker 13), Philadelphia 66 (Coleman 18). Assists—Boston 29 (Billups 9), Philadelphia 27 (Jackson 7, Coleman 7).

Orlando 25 21 23 33—102
Washington 29 18 14 30—91
O: Outlaw 9-9 6-10 24, Wilkins 5-13 12-13 23; W: Strickland 10-20 3-6 24, Murray 9-20 2-2 22. Rebounds—Orlando 59 (Outlaw 13), Washington 49 (Ham, Davis 9). Assists—Orlando 19 (Armstrong 8), Washington 19 (Strickland 9).

Denver 21 22 20 29—93
Miami 20 24 32 20—96
D: Ellis 7-15 5-5 20, Jackson 7-15 4-4 19; M: Hardaway 10-16 3-4 26, Austin 8-15 1-5 17. Rebounds—Denver 49 (Garrett 12), Miami 49 (Austin 13). Assists—Denver 17 (Stith 6), Miami 21 (Hardaway 8).

L.A. Clippers 30 20 24 22—96
Charlotte 41 21 34 32—130
L.A. Clippers: Rogers 7-16 10-12 24, Wright 2-5 8-10 12; C: Rice 13-19 7-7 36, Curry 8-14 0-0 18. Rebounds—Clippers 40 (Vaught 8), Charlotte 62 (Divac 11). Assists—Clippers 13 (Martin 5), Charlotte 38 (Wesley 10).

New Jersey 23 24 18 12 9—88
Detroit 21 22 13 23 17—96
N.J.: Cassell 10-20 8-9 29, Gill 9-20 1-4 19; D: Hunter 9-23 16-18 35, Sealy 8-11 5-6 22. Rebounds—New Jersey 46 (Ja.Williams 18), Detroit 61 (B.Williams 12). Assists—New Jersey 20 (Cassell 8), Detroit 13 (Hunter 5).

Cleveland 12 18 21 19—70
Chicago 16 24 24 15—79
C: Anderson 5-11 2-2 12, Kemp 5-12 1-2 11; C: Jordan 11-26 4-7 27, Longley 7-15 1-1 15. Rebounds—Cleveland 63 (Kemp 15), Chicago 50 (Rodman 18). Assists—Cleveland 14 (Knight 5), Chicago 20 (Kukoc 7).

Utah 22 19 23 21—85
Dallas 17 19 19 22—77
U: Malone 12-20 2-2 26, Foster 4-7 2-2 10; D: Green 6-9 1-2 13, Strickland 4-9 2-2 12. Rebounds—Utah 47 (Malone 10), Dallas 42 (Bradley 14). Assists—Utah 24 (Hornacek 10), Dallas 19 (Finley 7).

Minnesota 33 28 24 20—105
San Antonio 26 22 21 25—94
M: Garnett 9-20 8-11 26, Gugliotta 7-15 9-10 23; A: Robinson 8-20 13-18 29, Duncan 5-8 5-10 15. Rebounds—Minnesota 63 (Gugliotta 12), San Antonio 66 (Robinson 18). Assists—Minnesota 21 (Marbury 7), San Antonio 18 (Johnson 7).

Portland 27 25 28 19—99
Golden State 25 29 17 16—87
P: Rider 7-17 3-3 19, Wallace 6-13 2-2 14, Sabonis 4-14 6-6 14; G.S.: Smith 10-21 6-7 26, Sprewell 7-19 10-12 25. Rebounds—Portland 67 (Sabonis 12), Golden State 44 (Smith 10). Assists—Portland 17 (Anderson 6), Golden State 18 (Sprewell, Bogues 6).

Milwaukee 22 31 23 18—94
Vancouver 25 36 24 24—109
M: Brandon 10-16 2-2 22, Allen 7-12 4-4 20; V: Abdul-Rahim 7-14 10-11 24, Tharpe 7-13 5-6 19. Rebounds—Milwaukee 34 (Hill 11), Vancouver 44 (Newbill 10). Assists—Milwaukee 24 (Brandon 13), Vancouver 27 (Abdul-Rahim 5, Thorpe 5).

LEADING COLLEGE SCORES

EAST
Bucknell 72, Robert Morris 56
Connecticut 88, Yale 57
Georgetown 89, Georgia St. 72
Seton Hall 76, St. Peters 60
St. Bonaventure 71, Bowling Green 63
St. John's 72, Lafayette 49
Syracuse 60, N.C.-Asheville 57
West Virginia 87, East Carolina 66

SOUTH
Florida 66, Nicholls St. 63
Iona 95, Morgan St. 92, OT
Vanderbilt 81, E. Tennessee St. 53
Wake Forest 88, VMI 70
William & Mary 72, Stetson 51

MIDWEST
Austin Peay 67, Evansville 62
Bradley 81, Montana 54
W. Michigan 68, Michigan 63

SOUTHWEST
Baylor 98, Troy St. 44
Oklahoma 75, Jackson St. 62
Oklahoma St. 103, Texas-Pan American 71

FAR WEST
Buffalo 85, S. Utah 75
Long Beach St. 53, Florida A&M 51
Portland 72, Fairfield 55
San Francisco 75, UC Irvine 59
UNLV 96, Loyola Marymount 81
Utah 87, Cal St-Fullerton 59

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
New Jersey	14	5	0	28	60	34
Philadelphia	12	6	3	27	65	49
Washington	12	7	2	26	60	48
N.Y. Islanders	8	8	4	20	56	50
N.Y. Rangers	5	7	7	17	47	49
Florida	6	9	4	16	42	57
Tampa Bay	2	14	2	6	31	65

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Montreal	13	5	2	28	67	44
Boston	10	7	3	23	51	47
Ottawa	9	8	4	22	60	53
Pittsburgh	9	9	4	22	59	59
Carolina	8	9	3	19	57	58
Buffalo	5	10	4	14	47	61

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
St. Louis	14	5	2	30	69	45
Detroit	13	5	3	29	70	49
Dallas	11	6	4	26	66	55
Phoenix	9	8	2	20	57	53
Chicago	7	12	1	15	37	52
Toronto	6	9	3	15	36	53

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	10	4	6	26	60	48
Los Angeles	9	8	4	22	72	60
Anaheim	8	7	5	21	54	55
Edmonton	5	10	5	15	46	67
San Jose	6	14	1	13	53	69
Vancouver	4	13	3	11	49	73
Calgary	3	13	5	11	53	71

FRIDAY'S RESULTS

Pittsburgh 1 0 0—1
N.Y. Rangers 0 1 2—3
1st Period: P-Johansson 3 (Werenka, Straka) (sh). 2d Period: N.Y.-Keane 4 (Berg) 3d Period: N.Y.-Kovalev 1 (Sweeney, Karpovtsev) 4, N.Y.-Leetch 4, (en). Shots on goal: P- 10-12-10—32. New York 6-9-11—26. Goalies: P-Barrasso. New York, Richter.

Colorado 1 0 0—1
New Jersey 2 1 1—4
1st Period: N.J.-Holik 6 (McKay) 2, C-, Yelle 2 (Kurri, Ricci) 3, N.J.-McKay 9 (Bombardir) 2d Period: N.J.-Holik 7 (Niedermayer, McKay) 3d Period: N.J.-Sykora 8 (Dean) Shots on goal: C- 7-9-5—21. N.J.- 13-7-7—27. Goalies: C-Roy. N.J.-Brodeur.

N.Y. Islanders 1 2 1—4
Tampa Bay 0 0 1—1
1st Period: N.Y.-Chorske 1, (sh). 2d Period: N.Y.-Chorske 2 (Bertuzzi, Houda) (pp). 3, N.Y.-Green 8 (Hough, Czerkawski) 3d Period: T-Selivanov 3 (Hamrlik, Renberg) (pp). 5, N.Y.-Reichel 8 (Palffy, Green) (pp). Shots on goal: New York 5-6-7—18. T- 7-11-16—34. Goalies: New York, Salo. T-Schwab.

Philadelphia 0 2 3—5
Florida 0 1 1—2
1st Period: None. 2d Period: F-Whitney 4 (Svehla) (pp). 2, P-LeClair 17 (Coffey, Brind'Amour) (pp). 3, P-Desjardins 3 (Lindros, Gratton) (pp). 3d Period: F-Gagner 8, 5, P-, LeClair 18 (Lindros, Klatt) 6, P-Podein 4 (Gratton, Zubrus) 7, P-Klatt 3 (LeClair, Lindros) Shots on goal: P-10-7-10—27. F-5-11-8—24. Goalies: P-Snow. F-Vanbiesbrouck.

Vancouver 2 1 0 0—3
Anaheim 1 2 0 0—3
1st Period: A-Selanne 19 (Rucchin, Young) (pp). 2, V-Mogilny 1 (Messier, Bure) 3, V-Lumme 2 (Bure) (pp). 2d Period: A-Selanne 20, 5, A-Drury 4 (Rucchin, Karpa) (sh). 6, V-Noonan 5 (Sillinger, Naslund) 3d Period: None. Overtime: None. Shots on goal: V- 10-11-4-1—26. A- 15-8-9-1—33. Goalies: V-McLean. A-Shtalenkov.

Calgary 0 1 1 0—2
Edmonton 1 0 1 0—2
1st Period: E-Weight 8 (Grier). 2d Period: C-Titov 2 (Nylander, Tabaracci) 3d Period: C-Hulse 3 (Zalapski, Fleury). 4, E-Mironov 5 (Weight, Watt) (pp). Overtime: None. Shots on goal: C- 8-6-7-1—22. E- 11-14-7-2—34. Goalies: C-Tabaracci. E-Joseph.

Phoenix 2 1 0—3
San Jose 0 1 1—2
1st Period: Phoenix, Drake 5 (Tkachuk, Numminen). 2, Phoenix, Janney 5 (Tkachuk, Tocchet) (pp). 2d Period: Phoenix, Tkachuk 11 (Doan, Diduck) 4, S.J.-Nazarov 1 (Korolyuk, Ragnarsson) 3d Period: S.J.-Sturm 4 (Skalde, Gill) Shots on goal: Phoenix 9-6-2—17. S.J.- 11-7-12—30. Goalies: Phoenix, Waite. S.J.-Hrudey.

Dallas 1 3 1—5
Los Angeles 0 1 0—1
1st Period: D-Verbeek 7 (Hogue, Adams) (pp). 2d Period: D-Langenbrunner 8 (Nieuwendyk, Zubov) (pp). 3, L.A.-Galley 4 (Stumpel, C.Johnson) (pp). 4, D-Hogue 3 (Modano, Nieuwendyk) (pp). 5, D-Modano 10 (Lehtinen) (sh). 3d Period: D-Nieuwendyk 12 (Langenbrunner, Sydor) (pp). Shots on goal: D- 4-13-7—24. L.A.- 4-9-6—19. Goalies: D-Belfour. L.A.-Fiset. :

SATURDAY'S RESULTS

Ottawa 1 1 1 0—3
Boston 1 0 2 0—3
1st Period: O-York 1 (Yashin, Dackell) 2, B-Khristich 6 (Allison, DiMaio) (pp). 2d Period: O-Kravchuk 4 (Alfredsson, Zholtok) (pp). 3d Period: O-Hill 4 (Gardiner) 5, B-, Samsonov 2 (McLaren) 6, B-DiMaio 4 (Donato, Ellett) Overtime: None. Shots on goal: O- 9-8-11-3—31. B- 10-2-11-2—25. Goalies: O-Tugnutt. B-Dafoe.

Florida 0 0 1—1
N.Y. Islanders 0 0 0—0
1st Period: None. 2d Period: None. 3d Period: F-Whitney 5 (Murphy) Shots on goal: F- 6-9-8—23. New York 8-9-6—23. Goalies: F-Fitzpatrick. New York, Fichaud.

New Jersey 2 1 0—3
Buffalo 1 0 1—2
1st Period: B-Peca 2 (Woolley, Zhitnik) (pp). 2, N.J.-Andreychuk 2 (Niedermayer, Sykora) 3, New Jersey, Gilmour 4 (Sykora, Niedermayer) 2d Period: N.J.-Holik 8, 3d Period: B-Grosek 4 (Audette, Woolley) Shots on goal: N.J.- 14-11-7—32. B- 7-7-10—24. Goalies: N.J.-Brodeur. B-Hasek.

Washington 2 0 1—3
Montreal 0 0 2—2
1st Period: W-Oates 7 (Tinordi) 2, W-Bondra 11 (Johansson, Simon) (pp). 2d Period: None. 3d Period: M-Bureau 3 (Tucker, Rivet) 4, W-Bondra 12 (Simon, Oates) 5, M-Damphousse 7 (Bure, Savage) Shots on goal: W- 10-5-6—21. M- 8-15-12—35. Goalies: W-Kolzig. M-Thibault.

Pittsburgh 1 3 1—5
Toronto 0 0 0—0
1st Period: P-Barnes 4 (Johansson, Francis) 2d Period: P-Francis 8 (Brown, Werenka) 3, P-Morozov 5, 4, P-P.Ferraro 2 (C.Ferraro, Hicks) 3d Period: P-Straka 6 (Valk) (sh). Shots on goal: P- 9-6-5—20. T- 6-6-8—20. Goalies: P-Barrasso. T-Potvin, Healy.

Detroit 0 2 0—2
St. Louis 3 1 1—5
1st Period: S.L.-Campbell 4 (Courtnall, MacInnis) 2, S.L.-Courtnall 9 (Pronger) 3, S.L.-, Hull 11 (Duchesne, Demitra) (pp). 2d Period: D-Shanahan 9 (Larionov, Murphy) (pp). 5, S.L.-MacInnis 9 (Duchesne, Hull) (pp). 6, D-Kocur 2 (Draper, Shanahan) 3d Period: S.L.-Hull 12 (Courtnall, Demitra) Shots on goal: D- 8-10-11-29. S.L.- 11-7-10—28. Goalies: D-Osgood. S.L.-Fuhr.

FOOTBALL

LEADING COLLEGE SCORES

EAST
Army 25, North Texas 14
Bucknell 33, Towson 0
Connecticut 49, Massachusetts 16
Cornell 33, Columbia 22
Dartmouth 13, Brown 7
Delaware 24, Lehigh 19
Duquesne 32, Canisius 7
Fordham 42, Georgetown, D.C. 0
Harvard 33, Penn 0
Lafayette 34, Holy Cross 23
Navy 52, Colgate 24
New Hampshire 38, Boston U. 0
Northeastern 23, Maine 17
Princeton 9, Yale 0
Syracuse 32, Pittsburgh 27
Villanova 42, Buffalo 28
West Virginia 41, Temple 21

SOUTH
Auburn 45, Georgia 34
Citadel 28, VMI 6
Florida 48, South Carolina 21
Florida A&M 22, S. Carolina St. 20
Florida St. 58, Wake Forest 7
Georgia Tech 41, Duke 38
Kentucky 21, Vanderbilt 10
Memphis 21, Louisville 20
Miami 51, Rutgers 23
Mississippi 41, Tulane 24
Mississippi St. 32, Alabama 20
Morehead St. 54, Evansville 27
N. Carolina St. 31, Virginia 24
North Carolina 17, Clemson 10
Notre Dame 24, LSU 6
Southern Miss. 33, Houston 0
William & Mary 10, Richmond 7

MIDWEST
Drake 27, Northwestern, Iowa 20
Kansas St. 37, Colorado 20
Miami, Ohio 42, N. Illinois 0
Michigan 26, Wisconsin 16
Minnesota 24, Indiana 12
Missouri 42, Baylor 24
Nebraska 77, Iowa St. 14
Northwestern 15, Iowa 14
Ohio St. 41, Illinois 6
Penn St. 42, Purdue 17
SE Missouri 28, S. Illinois 17

SOUTHWEST
Southern Meth. 42, Tulsa 41
Southern U. 27, Texas Southern 17
Tennessee 30, Arkansas 22
Texas 45, Kansas 31
Texas A&M 51, Oklahoma 7
Texas Tech 27, Oklahoma St. 3
Texas-El Paso 24, Texas Christian 17

FAR WEST
Air Force 14, Wyoming 3
Arizona 41, California 38, 2OT
Arizona St. 52, Oregon 31
Idaho 35, New Mexico St. 18
Idaho St. 26, Portland St. 24
Montana 38, Weber St. 13
New Mexico 38, Brigham Young 28
San Diego 52, Wagner 29
San Diego St. 20, Fresno St. 19
San Jose St. 38, Hawaii 14
Southern Cal 23, Oregon St. 0
UCLA 52, Washington 28
Utah 31, Rice 14
Utah St. 38, Nevada 19
Washington St. 38, Stanford 28

CRICKET

NEW ZEALAND TOUR
VICTORIA VS. NEW ZEALAND
4-DAY MATCH, THIRD DAY
SUNDAY IN MELBOURNE, AUSTRALIA
New Zealand: 82 and 147 for seven
Victoria: 173

SRI LANKA TOUR
INDIAN BOARD XI VS. SRI LANKA
3-DAY MATCH, THIRD DAY
SUNDAY IN CUTTACK, INDIA
Indian Board President's XI: 294 and 10-1
Sri Lanka: 198 for nine declared
The match ended in a draw

GOLF

TAIHEIYO MASTERS

Final scores Sunday in 150 million yen ($1.19 million) Sumitomo VISA Taiheiyo Masters at 7,072-yard (6,436-meter), par-72 Taiheiyo Masters Course in Gotemba, Japan.

Lee Westwood, Eng.	68-68-65-71—272
"Jumbo" Ozaki, Jap.	71-65-69-68—273
N. "Joe" Ozaki, Jap.	67-68-69-69—273
Toru Suzuki, Jap.	70-71-67-66—274
Mark O'Meara, U.S.	69-67-69-69—274
Y. Mizumaki, Jap.	66-70-70-69—275
Chen Tze-chung, Taiw.	69-69-67-70—275
Roger Mackay, Austl.	67-69-72-68—276
Taichi Teshima, Jap.	69-69-68-70—276
Darren Clarke, N. Irl.	68-68-69-71—276

VOLVO MASTERS

Final scores Sunday in $200,000 Volvo Masters of Malaysia on par-72 Kelab Golf Sultan Abdul Aziz Shah course in Kuala Lumpur:

Christian Pena, U.S.	69-70-68-69—276
Hsieh Yu-shu, Taiwan	72-65-70-70—277
Craig Kamps, S. Africa	70-71-68-69—278
K. Young-suk, S. Kor.	71-71-69-68—279
Simon Yates, Scotland	70-67-69-73—279
Jyoti Randhawa, India	72-70-69-70—281
Lai Ying-jiuh, Taiw.	73-71-71-67—282
Chang Tse-Peng, Taiw.	74-69-69-70—282
Vivek Bhandari, India	73-69-70-70—282
Park Nam-sin, S. Kor.	73-71-72-67—283
C. Plaphol, Thailand	71-70-71-71—283

RUGBY UNION

AUSTRALIA TOUR
TEST ON SATURDAY IN LONDON
England 15, Australia 15

SOUTH AFRICA TOUR
TEST ON SATURDAY IN LYON, FRANCE
France 32, South Africa 36

NEW ZEALAND TOUR
TEST ON SATURDAY IN DUBLIN
Ireland 15, New Zealand 63

TONGA TOUR
TEST ON SUNDAY IN SWANSEA, WALES
Wales 46, Tonga 12

RUGBY LEAGUE

AUSTRALIA TOUR
SUNDAY IN LEEDS, ENGLAND
Great Britain 20, Australia 37
Australia won 3-match series 2-1.

SOCCER

WORLD CUP

EUROPEAN ZONE PLAYOFFS
Yugoslavia 5, Hungary 0
Yugoslavia won 12-1 on aggregate.
Ukraine 1, Croatia 1
Croatia won 3-1 on aggregate.
Belgium 2, Ireland 1
Belgium won 3-2 on aggregate.
Italy 1, Russia 0
Italy won 2-1 on aggregate.

ASIAN ZONE PLAYOFF
IN JOHOR BAHRU, MALAYSIA
Japan 3, Iran 2

QUALIFIED FOR FINALS
FROM EUROPE
Austria, Belgium, Bulgaria, Croatia, Denmark, England, France, Germany, Italy, Netherlands, Norway, Romania, Scotland, Spain, Yugoslavia
FROM SOUTH AMERICA
Argentina, Brazil, Colombia, Paraguay
FROM AFRICA
Cameroon, Morocco, Nigeria, South Africa, Tunisia
FROM ASIA
South Korea, Saudi Arabia, Japan
FROM CONCACAF
Mexico, United States
Iran will meet Oceania winners Australia over two legs on November 22 and 29 with the winners going through to the finals. Two more will teams will qualify from South America and CONCACAF after games late on Sunday.
The draw for finals takes place in Marseille on December 4.

SPANISH FIRST
Real Sociedad 0, Atletico Madrid 2
Barcelona 3, Celta Vigo 2
Deportivo Coruna 1, Espanyol 1
Mallorca 1, Oviedo 1
Racing Santander 0, Athletic Bilbao 0
Salamanca 0, Compostela 1
Sporting Gijon 2, Zaragoza 3
STANDINGS: Barcelona 28 points; Real Madrid, Celta Vigo 24, Espanyol 23, Atletico Madrid, Real Sociedad 22, Mallorca 20; Athletic Bilbao, Oviedo 18; Real Betis, Zaragoza, Merida 14; Deportivo Coruna, Compostela 13; Racing Santander 12; Tenerife 11; Valladolid 9, Valencia 8, Salamanca 6; Sporting Gijon 1.

FRENCH FIRST DIVISION
Bordeaux 0, Paris St Germain 0
Olympique Marseille 4, Auxerre 0
Nantes 1, Metz 1
Toulouse 1, Monaco 3
Montpellier 1, Bastia 1
RC Lens 5, Cannes 4
Olympique Lyon 2, Chateauroux 1
STANDINGS: Marseille 33 points; PSG, Metz 31; Bordeaux 30; Monaco 29; Lens 28; Bastia, Auxerre, Lyon 23; Montpellier 21; Toulouse 20; Nantes 17; Guingamp, Chateauroux 15, Strasbourg 14, Le Havre, Rennes 12; Cannes 11.

DUTCH FIRST DIVISION
Willem II Tilburg 3, Twente Enschede 1
Fortuna Sittard 3, Heerenveen 1
Sparta Rotterdam 4, MVV Maastricht 6
Groningen 1, PSV Eindhoven 1
Graafschap Doetinchem 0, Feyenoord 0
Utrecht 6, RKC Waalwijk 1
NEC Nijmegen 0, Vitesse Arnhem 2
STANDINGS: Ajax Amsterdam 40 points; PSV Eindhoven 33; Vitesse Arnhem 30; Heerenveen 28; Feyenoord 25; Twente Enschede 20; Roda JC Kerkrade, NEC Nijmegen 19; Sparta Rotterdam 18, Utrecht, Fortuna Sittard, Graafschap Doetinchem 12; NAC Breda, Willem II Tilburg, Groningen 10; Maastricht 13; Waalwijk 11; Volendam 7.

SCOTTISH PREMIER DIVISION
Aberdeen 1, Rangers 1
Celtic 0, Motherwell 2
Dunfermline Athletic 2, Hibernian 1
Hearts 2, St Johnstone 1
Kilmarnock 1, Dundee United 3

TENNIS

ATP TOUR WORLD CHAMPIONSHIP
IN HANOVER, GERMANY
SEMIFINALS
Pete Sampras (1), U.S., def. Jonas Bjorkman (4), Sweden, 6-3, 6-4
Yevgeny Kafelnikov (6), Russia, def. Carlos Moya (7), Spain, 7-6 (7-2), 7-6 (7-3).
FINAL
Sampras def. Kafelnikov 6-3, 6-2, 6-2

ADVANTA CHAMPIONSHIPS
IN VILLANOVA, PENNSYLVANIA
QUARTERFINALS
Arantxa Sanchez Vicario (8), Spain, def. Amanda Coetzer (3), South Africa, 6-2, 6-2
Lindsay Davenport (5), U.S., def. Jana Novotna (2), Czech Republic, 6-3, 6-2.
Irina Spirlea (7), Romania, def. Monica Seles (4), U.S., 6-4, 7-6 (7-5).
Martina Hingis (1), Switzerland, def. Anke Huber, Germany, 7-6 (8), 5-7, 6-4
SEMIFINALS
Hingis def. Sanchez 1-6, 7-6 (7-5), 6-3.
Davenport def. Spirlea 6-2, 6-4.

TRANSITIONS

BASEBALL
NATIONAL LEAGUE
COLORADO—Signed RHP David Wainhouse and OF Wonderful Monds to minor league contracts and sent Wainhouse to Colorado Springs, PCL and Monds to New Haven EL.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
NBA—Fined the Minnesota $25,000 and their G Chris Carr, F Kevin Garnett, G Stephon Marbury, F Clifford Rozier and G Doug West $2,500 for wearing their shorts too long.
CHICAGO—Put Guard Steve Kerr on injured list. Signed G Rusty LaRue to 1-year contract
NEW JERSEY—Signed F Xavier McDaniel to 1-year contract
PORTLAND—Activated C Gary Trent from injured list. Waived G Sean Higgins.

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~Memorable Moments from Johnnie Walker: RYDER CUP *with Bernard Gallacher*



RYDER CUP '97 JOHNNIE WALKER

1997 - OLAZÁBAL'S RECOVERY COMPLETE WITH VICTORY AT VALDERRAMA.

Written with Richard Simmons. Designed & Illustrated by Dave F Smith © International Herald Tribune

مكرر من الاصل

SPORTS

Knicks Bounce Back

This Time, Kings Are the Losers, 114-87

The Associated Press

John Starks scored 19 points to lead eight Knicks in double figures as New York avenged its most surprising loss of the season by beating the Sacramento Kings, 114-87.

The Knicks have won their last three games to rebound from a 1-2 Western road trip that included a loss at Sacramento on Nov. 9

Patrick Ewing had 17 points and seven rebounds Saturday night, and Chris Mills, Allan Houston and Larry Johnson each scored 14. Charles Oakley had 11 points and 10 rebounds, Charlie Ward also finished with 11 points, and Chris Childs added 10.

Mitch Richmond led the Kings with 18 points.

NBA Roundup

Pacers 105, Raptors 77 In Toronto, Chris Mullin scored 20 points on 9-of-11 shooting and Rik Smits added 19 as Indiana continued its dominance of the Raptors. The Pacers, who have never lost in nine games with the Raptors, controlled the tempo from the opening tip-off. John Wallace had 17 points for the Raptors.

Magic 102, Wizards 91 Charles Outlaw scored a career-high 24 points on 9-for-9 shooting, and Derek Strong had 10 points in the decisive third quarter as Orlando defeated host Washington. Both teams played without their two leading scorers: Rod Strickland scored 24, Tracy Murray 23 and Calbert Cheaney 19 for the Wizards.

Hornets 130, Clippers 96 Glen Rice scored a season-high 36 points and Charlotte took advantage of one of the worst defenses in the National Basketball Association to beat visiting Los Angeles. Dell Curry added 18 points for the Hornets. Los Angeles got 24 points from Rodney Rogers.

Celtics 107, 76ers 101 Antoine Walker had 25 points and 13 rebounds as Boston held off a late rally to defeat host Philadelphia. Walter McCarty scored 19 points, Tyus Edney had 14, and Chauncey Billups and Greg Minor scored 12 each for the Celtics. Jerry Stackhouse had 23 points and Jimmy Jackson had 15 for Philadelphia. Derrick Coleman added 18 rebounds and 16 points.

Heat 96, Nuggets 93 In Miami, Tim Hardaway scored the last of his 26 points on a 3-pointer with 1.9 seconds left to give the Heat a victory over winless Denver. Hardaway matched a career-high with 11 rebounds, eight in the third quarter, and had eight assists. Isaac Austin added 17 points and 13 rebounds. LaPhonso Ellis scored 20 points to lead five Denver players who scored in double figures.

Pistons 96, Nets 88 Lindsey Hunter scored a career-high 35 points and played the entire game to lead host Detroit to a comeback victory over New Jersey. Sam Cassell led the Nets with 29 points. Jayson Williams had 13 points and 18 rebounds.

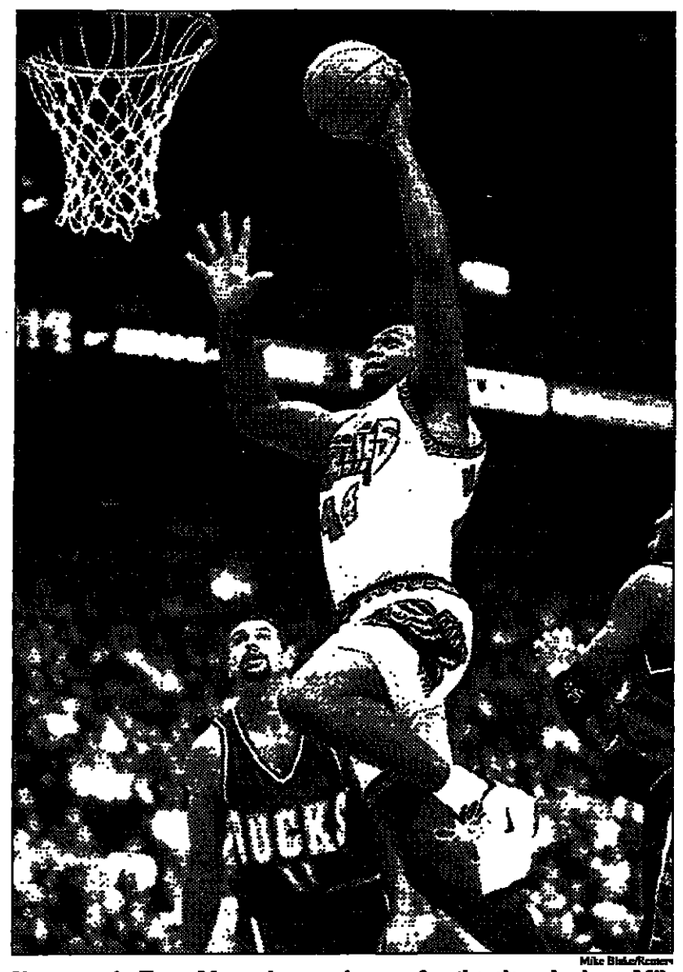
Jazz 85, Mavericks 77 In Dallas, Karl Malone scored 26 points and made two clutch baskets late in the game to thwart the Mavericks' comeback attempt. Michael Finley had 21 points, and A.C. Green added 13 for Dallas.

Bulls 79, Cavaliers 70 Michael Jordan scored 27 points and Dennis Rodman pulled down 18 rebounds as host Chicago avenged one of its most embarrassing losses in years by beating Cleveland. Luc Longley added 15 points for the Bulls.

Timberwolves 105, Spurs 94 Kevin Garnett scored 26 points, Tom Gugliotta scored 23, and the two showed no fear of taking on San Antonio's big men as Minnesota beat the host Spurs. Garnett finished 8-of-11 from the free-throw line, and Gugliotta was 9-of-10. David Robinson led all scorers with 29 points and 18 rebounds for the Spurs.

Grizzlies 109, Bucks 94 In Vancouver, Shareef Abdur-Rahim scored 24 points, and the Grizzlies held Milwaukee to just eight points in the fourth quarter. Otis Thorpe contributed 19 points, while Sam Mack chipped in 13 in his first start for Vancouver. Terrell Brandon led Milwaukee with 22 points and 13 assists.

Trail Blazers 99, Warriors 87 Kenny Anderson made two 3-pointers during a decisive 12-0 run in the third quarter to lead visiting Portland past winless Golden State. Anderson finished with 13 points and 10 rebounds and Isaiah Rider had 19 points for Portland. Joe Smith scored a game-high 26 points and Latrell Sprewell scored 25 for the Warriors.



Mike Blake/Reuters

Vancouver's Tony Massenburg going up for the slam-dunk as Milwaukee's Jamie Feick, left, and Michael Curry can only watch and wait.

New Jersey Wins as Brodeur Bedevils Sabres

The Associated Press

Martin Brodeur made 22 saves en route to his 10th straight victory as the New Jersey Devils defeated the Buffalo Sabres, 3-2.

Dave Andreychuk, Doug Gilmour and Bobby Holik scored for the visiting Devils on Saturday night. Michael Peca and Michal Grosek scored the Buffalo goals.

NHL Roundup

Panthers 1, Islanders 0 Ray Whitney scored early in the third period, and goaltender Mark Fitzpatrick stopped 23 shots for his 100th National Hockey League victory as visiting Florida beat New York.

Senators 3, Bruins 3 Rob DiMaio scored late in the third period to give host Boston a tie with Ottawa.

Penguins 5, Maple Leafs 0 Tom Barrasso stopped 20 shots to lead visiting Pittsburgh over Toronto.

Capitals 3, Canadiens 2 In Montreal, Olaf Kolzig made 33 saves and Peter Bondra scored two goals as Washington ended the Canadiens' seven-game winning streak.

Blues 5, Red Wings 2 Brett Hull had two goals and an assist as host St. Louis moved into first place in the Central Division with a victory over Detroit.

Stars 5, Kings 1 Mike Modano scored his league-leading third shorthanded goal this season, and Dallas had four power-play goals in its victory over host Los Angeles.

Coyotes 3, Sharks 2 Jimmy Waite made a rare goaltending start for Phoenix, and Keith Tkachuk had a hand in all three goals as the Coyotes beat the Sharks in San Jose.

Oilers 2, Flames 2 Boris Mironov made up for an earlier defensive lapse with a third-period goal, lifting host Edmonton to a tie with Calgary.

Kanell Lifts Giants

N.Y. Stays Atop Division as Cards Stumble

The Associated Press

Charles Way's first 100-yard rushing game — he had 114 of the Giants' 201 yards — and Danny Kanell's 182 yards passing and two touchdowns kept the Giants in first place in the NFC East with a 19-10 victory over the Arizona Cardinals on Sunday.

The host Giants (7-4) throttled the Cardinals' running game for the second time this season, but Jake Plummer kept the Cardinals close until Jason Sehorn's interception set up Brad Daluiso's clinching 34-yard field goal with 4:49 left.

Plummer completed 22 of 33 passes for 388 yards, becoming the first rookie to throw for 300 yards against the Giants. Frank Sanders caught nine passes for 188 yards and Rob Moore eight for 139 for Arizona (2-9), but the Giants sacked Plummer eight times.

NFL Roundup

Plummer led the Cardinals to all their points in the third quarter, freeing himself with a scramble and finding Sanders wide open for a 70-yard touchdown that made it 10-7. Four more completions to Sanders set up Joe Nedney's tying 34-yard field goal.

But the Giants got a brisk wind at their backs in the fourth quarter and took advantage with an 80-yard, 17-play drive for the go-ahead touchdown, a 1-yard toss from Kanell to Howard Cross.

Daluiso missed the extra point to leave the score 16-10, but Arizona never recovered from the drive that took 8 minutes, 55 seconds.

Bucs 27, Patriots 7 The Bucs stopped their NFL-record streak of 14 consecutive losing seasons and did it in convincing fashion with a rout of the defending AFC champion New England Patriots.

Trent Dilfer threw for 209 yards and one touchdown, Mike Alstott and Errict Rhett scored on 1-yard runs, and Tampa Bay (8-3) also got a pair of 44-yard field goals from Michael Husted.

The visiting Patriots, who started the day tied for first in the AFC East, were held to 16 yards and no first downs in the first half.

They avoided a shutout with Scott Zolak's 6-yard TD pass to Lovett Purnell in the closing seconds.

The victory was the third straight for the Bucs (8-3), who are back on track after a 5-0 start was followed by three consecutive losses that raised questions about whether their fastest start in 18 years was a fluke.

Steelers 20, Bengals 3 The Steelers took a while to warm up, as snow flurries flied in Pittsburgh, before Kordell Stewart threw two touchdown passes in the second half to lead Pittsburgh over the Bengals.

The Steelers (8-3) won their seventh in eight games and assured the Bengals (3-8) of a seventh consecutive non-winning season. Cincinnati, which had won two straight games, hasn't finished above .500 since 1990.

The Bengals, losers of 12 of their last 14 to the Steelers, probably knew when the NFL schedule was announced that this one would be difficult. The Steelers are 9-0 in November home games under coach Bill Cowher and have won 11 consecutive AFC Central home games since losing to the Bengals in 1995.

Stewart, who finished 11-of-22 for only 128 yards but no interceptions, hit Yancey Thigpen for a 34-yard completion to set up Thigpen's 20-yard scoring catch that made it 13-0 in the third quarter. Later, Stewart found tight end Mark Bruener on a 5-yard scoring pass, the tight end's fifth touchdown on 10 receptions this season.

Jerome Bettis finally got going against the NFL's worst rushing defense after being limited to 35 yards in the first half, finishing with 101 yards — his eighth 100-yard game this season and 18th in 27 games with the Steelers.

Lions 38, Vikings 15 Scott Mitchell, shaking off a sore leg, passed for 271 yards and two touchdowns as Detroit snapped Minnesota's six-game winning streak.

The Vikings (8-3) have been a team of comebacks all season. But the host Lions (5-6) roared to a 24-7 halftime lead in breaking a three-game slide. Minnesota's quarterback, Brad Johnson, couldn't find his touch.

Johnson, who has led the Vikings to the winning points in the final minute three times this season, was 19-of-37 for 177 yards with one interception. The Lions rolled up 477 yards to the Vikings' 300.

Jaguars 17, Oilers 9 With two rookies starting at defensive tackle and pass-rush specialist Tony Brackens out with a sprained ankle, Jacksonville kept Eddie George in check and got an efficient game from Mark Brunell in a victory over the visiting Oilers.

In beating the Oilers for the second time in three weeks, the Jaguars (8-3) won their 12th straight game at home and remained atop the AFC Central.

Brunell was 22-of-30 for 267 yards and one touchdown, but the injury-riddled defense stole the show. The nine points were the fewest Jacksonville had given up since a 24-9 victory over Pittsburgh on Sept. 1, 1996.

The Oilers (5-6) kept the Jaguars without a sack for the first time this year, but Steve McNair was intercepted twice in the fourth quarter.

Michigan Keeps Its Cool in Wisconsin

By Timothy W. Smith
New York Times Service

MADISON, Wisconsin — Michigan's game against Wisconsin was a watershed of sorts for the Wolverines, who were ranked No. 1 in The Associated Press poll. The last three times they had been No. 1, they had lost the following week, getting only a whiff of the rarefied air at the top.

On Saturday, the Wolverines inhaled deeply and did not pass out.

Michigan (10-0) beat No. 23 Wisconsin, 26-16, here before the third-largest crowd in the Badgers' history (79,806) to claim at least a share of the Big Ten championship, maintain its grasp on a Rose Bowl berth and keep an eye on a national championship.

The victory also set up a showdown with No. 4 Ohio State in Ann Arbor, Michigan, on Saturday.

Last year, the Buckeyes were undefeated and looking for a national championship, and the Wolverines, en route to a fourth straight four-loss season, smacked them around.

"Each guy knows the history of that game," said the Michigan quarterback, Brian Griese, who completed 19-of-26 passes for 254 yards and a touchdown.

College Football

"Each guy knows what we did to them last year. We don't want the same thing to happen to us this year."

But Michigan might not be No. 1 next week. Although they defeated Wisconsin (8-3), the Wolverines did not do it in impressive fashion. This was a hard-fought, cold weather, Big Ten type of victory, and the 10-point margin might not be large enough to maintain the top spot. Michigan's main competitors for the national championship — Florida State and Nebraska — both won big.

No. 2 Florida State 58, Wake Forest 7 Thad Busby threw for 390 yards and four TDs — two in a 28-point first quarter. The host Seminoles (10-0, 8-0 Atlantic Coast Conference) had 11 sacks, four interceptions and held the Demon Deacons (5-6, 3-5) to minus-1 yard rushing.

No. 3 Nebraska 77, Iowa State 14 Ahman Green had three TDs in a 35-point first quarter as the host Cornhuskers (10-0, 7-0 Big 12) rolled over the Cyclones (1-9, 1-6).

No. 5 Tennessee 30, Arkansas 22 At Little Rock, Arkansas, Peyton Manning's 49-yard touchdown pass put the Vols ahead to stay and Eric Brown blocked a punt to set up a TD in the final minutes as Tennessee (8-1, 5-1 Southeastern Conference) held on.

No. 6 Penn State 42, No. 19 Purdue 17 Curtis Enis ran for 186 yards and three TDs on a career-high 37 carries and caught a 67-yard scoring pass as the visiting Nittany Lions (8-1, 5-1 Big Ten) rebounded from last week's loss to Michigan.

No. 16 Auburn 45, No. 7 Georgia 34 At Athens, Georgia, Dameyune Craig ran for two touchdowns and threw a 76-yard scoring pass as Auburn kept alive its SEC Conference title hopes and ruined Georgia's (7-2, 5-2 SEC) chances for a spot in the bowl alliance.

No. 8 North Carolina 17, Clemson 10 Chris Keldorf hooked up with the wide receiver L.C. Stevens to set up three scores for the visiting Tar Heels (9-1, 6-1 ACC). Stevens caught three passes for 169 yards.

No. 9 UCLA 52, No. 13 Washington 28 At Pasadena, California, UCLA's Skip Hicks had four TDs, giving him a Pac-10 season record of 24. Hicks ran for 147 yards and caught three passes for 106.

No. 10 Kansas State 37, Colorado 20 Michael Bishop threw for 156 yards and one TD as the host Wildcats (9-1, 6-1 Big 12) scored 21 points in the second quarter to beat the Buffaloes (5-5, 3-4) for the first time since 1984.

Notre Dame 24, No. 11 LSU 6 At Baton Rouge, Louisiana, the Irish (5-5) played their best game yet under their new coach, Bob Davie, as Clement Stokes ran for 92 yards and two TDs against the Tigers (7-3).

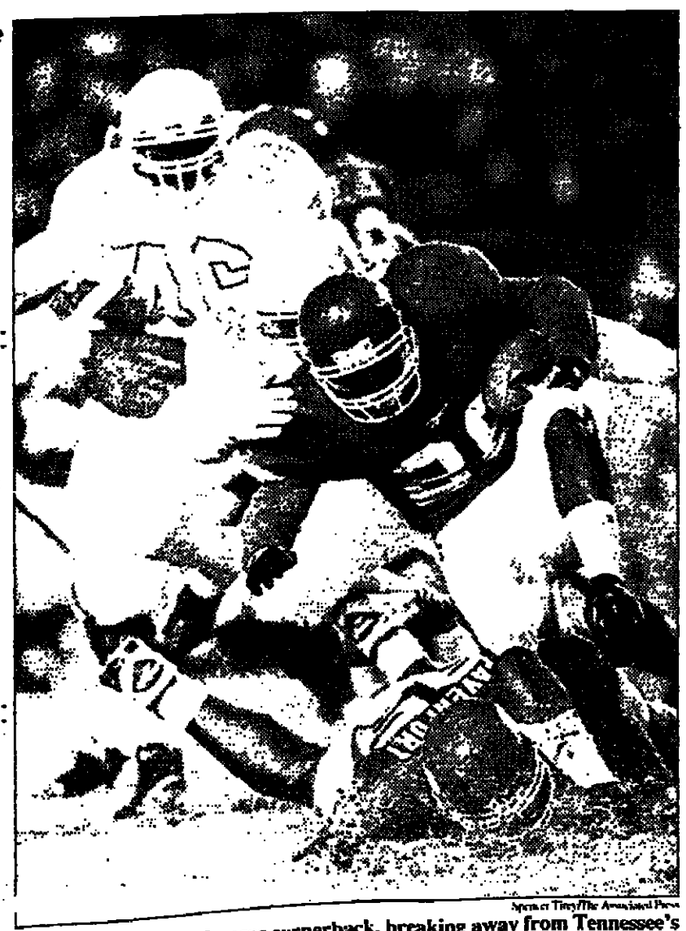
No. 12 Florida 48, South Carolina 21 Fred Taylor ran for three TDs, Mike Moten had a 23-yard fumble return for a score and Jacquez Green added an 86-yard punt return for a TD as the visiting Gators (8-2, 6-2 SEC) rolled.

No. 17 Mississippi State 32, Alabama 20 James Johnson ran for 198 yards and two TDs for the visiting Bulldogs (7-2, 4-2 SEC), who kept alive their chances of winning the SEC West.

No. 18 Texas A&M 51, Oklahoma 7 Dante Hall ran for 139 yards and three TDs as visiting Texas A&M (8-2, 5-2) clinched a spot in the Big 12 title game.

No. 21 Syracuse 32, Pittsburgh 27 At Pittsburgh, Donovan McNabb threw a 24-yard TD pass to Quinton Spotwood with 28 seconds left to lift Syracuse (8-3, 5-1 Big East).

Northwestern 15, No. 22 Iowa 14 At Evanston, Illinois, Brian Musso turned a one-handed catch into a 40-yard TD early in the third quarter, and the Wildcats (5-7, 3-5 Big Ten) held on.



Spencer Tirey/The Associated Press

Ontraila Moss, an Arkansas cornerback, breaking away from Tennessee's DeAngelo Lloyd and Jeremy Fitzgerald (46) in the second quarter.

THIS WEEK ON EUROSPORT

The Alpine Ski season [illegible] Park City, America with the Men's and Women's Slalom and Giant Slalom. Can local favourite Picabo Street make a winning [illegible]?

Alpine Skiing:

20 - 23 November, LIVE, The World Cup, Park City, USA
After the season opener in Tignes the World Cup moves to the States where the snow conditions should provide a great start to the season

Boxing:

18 November, LIVE, WBO Intercontinental Featherweight Title
Former WBO World Champion Steve Robinson, who lost his title to Naseem Hamed, takes on Aldrich Johnson of Trinidad

Tennis:

22 - 23 November, ATP Tour Doubles World Championship, Hartford, USA
The 'Woodies' Todd Woodbridge and Mark Woodford are the most successful doubles pairing since McEnroe and Fleming and they will be looking to land their third World Title

Sailing:

23 November, The Whitbread Round the World Race
The second leg of the race is between Cape Town and Freemantle and we bring a weekly update on the toughest race of all



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WORLD ROUNDUP

PSV Eindhoven Settles for Draw

SOCCER PSV Eindhoven wasted chance after chance on Sunday and was held to a 1-1 draw at FC Groningen, while Feyenoord could manage only a 0-0 draw at De Graafschap Doetinchem.

The team that enjoyed the weekend most in the Dutch league was its leader, Ajax (13-1-0), which did not play. Second-placed PSV (9-6-0) is also unbeaten but now trails by seven points with a game more played.

An Arnold Bruggink tap-in put PSV ahead at 52 minutes but the lead was wiped away almost immediately by Mariano Bombarda's header. Wim Jonk twice almost won the match for Eindhoven, but his first effort was cleared off the line by Bombarda, and in the dying minutes his shot cannoned back off the bar. *(AP)*

Emirates Fire Coach After Team's Failure

SOCCER The United Arab Emirates fired its Brazilian soccer coach Sunday after the national team failed to make the cut for next year's World Cup.

The announcement by the Football Association did not give any reason for Lori Sandri's dismissal. But officials, speaking on the condition of anonymity, said that Sandri, 48, was fired because of the UAE's weak performance in the World Cup qualifying games.

The association said that the Kuwaiti team's former coach, Milan Macala of the Czech Republic, would coach the UAE team for next month's Confederation Cup in Saudi Arabia. *(AP)*

A Marathon of a Game

BASKETBALL After playing 61 exhausting minutes in a single game, perhaps the most ever by a Portland Trail Blazer, Brian Grant sat at his locker with ice packs on both knees and reflected.

"This," he said, "was the kind of game you live for."

The final score was incredible enough: Phoenix 140, Portland 139 in only the eighth four-overtime game in NBA history and first since 1987. But the score, and length of the game, were just hints of the kind of basketball drama on display Friday night at the Rose Garden in Portland.

"It was the most exciting basketball game I've ever played in," Portland's Isaiah Rider said.

So many times, the game seemed over. Phoenix looked to have it won in regulation. Portland seemed in command in the second and third overtimes. Five players played at least 50 minutes, two minutes longer than an entire regulation game. Among them was the Blazers' Arvydas Sabonis, who had one of the game's big shots, a leaning 3-pointer with 2.7 seconds to play in regulation that tied the game at 98-98 to force the first overtime. *(AP)*

After Loss, Tara Keeps A Stiff Upper Lipinski

SKATING Tara Lipinski, the world champion, says she is learning how to come back after losing. She has to do it for the second time this year.

She was beaten Saturday by the French skater Laetitia Hubert at the Lalique Trophy competition in Paris, Lipinski's second loss of the season.

Last month Michelle Kwan beat Lipinski in the Skate America competition.

"This year I haven't had the experience of moving up like I did last year," Lipinski said. "I never expected this year to win everything. I knew I couldn't. I didn't want to. Once you are world champion, there is a little more pressure to stay on top." *(AP)*

Alone at the Top: Sampras Reigns

By Ian Thomsen
International Herald Tribune

HANNOVER, Germany — Tiger Woods and Ronaldo aren't there yet, and Mike Tyson never really was. Carl Lewis has come and gone. Wayne Gretzky is old and Michael Jordan might be on the other side of the hill, if indications from the early NBA season are true.

That leaves Pete Sampras alone at the top. If we are talking about an all-time great currently at the top of his game, then Sampras is probably the best athlete in the world at the moment.

He proved as much Sunday by winning his fourth ATP Tour World Championship with a 6-3, 6-2, 6-2 victory over Yevgeni Kafelnikov of Russia in 88 minutes.

The afternoon became an impromptu testimonial to Sampras. No sooner had he accepted one crystal trophy than he was being handed another — this one for becoming the No. 1 player of the ATP Tour's first 25 years.

Though he is just 26, Sampras with 26 first-place votes was rated ahead of Bjorn Borg, who got 17 first-place votes; John McEnroe, 13, and Jimmy Connors, 9.

Sampras's idol, Rod Laver, who was nearing the end when the ATP was formed, received 14 first-place votes but finished eighth overall, behind Ivan Lendl, Boris Becker and Stefan Edberg. They were elected by 100 current and retired players, tournament directors and journalists.

"It's very flattering, it really is, to have the respect from people in tennis," Sampras said. "That's not the main reason I play this game, for the attention, but it makes you feel like you're making some sort of impact on the game."

Never mind his theoretical impact, said Kafelnikov, who spent the day behaving like the victim of a crime.

"I felt so embarrassed because everything I was trying didn't go the right way," he said after his mauling by Sampras. "I ask him, 'How could you do that to me?' He say, 'Sorry.'"

Kafelnikov qualified for the eight-man World Championship a week ago by winning the Kremlin Cup in Moscow. Any lesser result would not have earned him a place in this exhibition hall, which looks like the set for a future Star Wars movie.

Having overcome a broken finger in January that cost him two surgeries and three months of recovery, the 23 year old believed he had nothing to lose after salvaging a 7-6 (7-2), 7-6 (7-3) semifinal victory over Carlos Moya of Spain.

In front of a full house of 15,000, he and Sampras broke each other five times in the opening set like two boxers determined to knock the other on his back. Unfortunately for Kafelnikov, the last of these breaks went to Sampras.

"From the middle of the first, pretty much till the end of the match, everything just clicked — from my serve, to the way I was returning, to the way I was hitting my groundstrokes," Sampras said. "It's an unbelievable feeling when everything just comes together and you feel like anything you try out there is going to work."

Sampras has won his last nine tournament finals, eight of them this year. He is constantly inspected for signs of decline, but with each year he looks more and more like one of those rare athletes worth telling the grandchildren about. By the third set he was playing as if the match had been choreographed for him.

The three rallies that hung on the edge of the net tape all dropped the American's way. He even won a point with several acrobatic volleys after popping a string on serve. Kafelnikov has won just two of their 11 meetings, and he has lost five straight to Sampras since upsetting him in the French Open semifinal last year.

In the latter stages the Russian twice served before play was ready to resume — he was that anxious to gather up his things and go home.

"Once I saw him a little bit down on himself, it just gave me that much more confidence," said Sampras, who is accused of not showing his emotions. But that is also his strength.

Kafelnikov finishes No. 5 in the world. Sampras, meanwhile, is No. 1 for the fifth year in a row, which ties the tour record of Jimmy Connors from 1974 to 1978. This was a year when many new contenders emerged and none came close.

Still waiting for Sampras is the Davis Cup final against the Swedes in less than two weeks.

"I'm a little tired, I must admit," he said, but by mid-December he will begin training seriously for the Australian Open — and with it the chance at his 11th Grand Slam title, which would leave him one behind Roy Emerson's record.

"You have to be very consistent. You have to be almost all-consumed with the game to be No. 1," said Sampras, who won 13 of his 14 matches this year against Top 10 opponents. "You have to prepare well. We'll just see over the next six months or year who is willing to do that."



Pete Sampras was named the No. 1 player in ATP Tour's first 25 years.



Japan's Masashi Nakayama celebrating his goal in the first half against Iran in a World Cup qualifying match.

Changes Afoot for ATP Tour

By Ian Thomsen
International Herald Tribune

HANNOVER, Germany — The ATP Tour has revealed plans for a major overhaul in 2000, including a new simplified ranking system and penalties for those men who fail to give their best performances at the world's most important tennis tournaments.

The Tour voted Saturday to explore the possibility of conducting eight of its top tournaments — including a new year-ending world championship — in conjunction with the most important women's tournaments. Currently, the men and women share courts at only the four Grand Slam tournaments and the annual tour event at Key Biscayne, Florida.

Negotiations also are ongoing to combine the ATP Tour World Championship with its competitor, the Grand Slam Cup.

If all of the proposals go through, tennis could join Formula One auto racing as the only truly global sports leagues. At the moment, the ATP Tour is not considered a league by most sports fans, mainly because the ranking system is unfathomable.

That will change when a points race during the calendar year is employed in 2000. All players will begin the year with zero points. The player with the most points at the end of the year will be No. 1.

Crucially, players will no longer be allowed to excuse themselves from any of the top 11 tournaments, including the Grand Slams.

The most controversial proposals include a change of surface at Key Biscayne from hard court to clay, the reduction in status for one major European clay-court tournament as well as a North American hard-court event, and — ominously — the likelihood of difficult negotiations with players and tournament directors over their share of the larger pie.

In Tuesday's IHT, Ian Thomsen takes a further look at how tennis is restructuring itself for the 21st century.

Once Again, Belgium Shows Its Prowess to Qualify for World Cup

By Peter Berlin
International Herald Tribune

BRUSSELS — Most of the big names have known for a while that they will be center stage when soccer's World Cup opens a five-week run in France next summer with a record cast of 32 countries.

Many have already started fitting their new costumes, recording their World Cup songs and rehearsing their free-kick routines.

But in Europe and Asia this weekend, 10 teams that had narrowly failed their first audition came back for another try.

In Brussels, two of European soccer's character actors tussled in the rain for one place in the big show. In the end, Belgium, which gave a virtuoso display in its 1-1 draw in Dublin this month, beat Ireland, 2-1, to qualify yet again for the finals.

The Belgians almost invariably reach the World Cup finals, where they serve as a dependable foil for soccer's marquee names. They have reached the final 16 in the last two World Cups: in 1994, they lost, 3-2, to Germany, and in 1990 they fell, 1-0, to England when David Platt scored the winning goal in the last minute of extra time.

At the end of Saturday's match, the team celebrated as if it had just won an Oscar. The speakers blared, "We Are the Champions."

They are not, just a team that finished a poor second to the Dutch in its qualifying group and squeaked into the last 32 with an unnecessarily hard-fought victory over the Irish.

Belgium was weakened by injuries, but even so it offered the same solid professional virtues it brings to every performance. The quality of the understudies will be crucial for every team in France.

Luis Oliveira, a Brazilian who plays in Italy but stopped in Belgium long enough to claim nationality, provided a touch of the exotic. The home team's preferred strategy was to lure the Irish forward and then try to exploit Oliveira's pace on the counterattack.

It paid in the 25th minute when Gert Claessens chipped a pass over Ireland's back line. Oliveira galloped through, flipped the ball over Shay Given, the Irish goalie, and prodded it into the goal.

Just before halftime, Oliveira burst into the penalty area and was flattened by two Irish defenders. But, in keeping with current practice, the referee, Guenther Benko, awarded Belgium not a penalty but a free kick on the edge of the penalty area, two meters behind the scene of the crimes.

For Ireland the defeat brings down the curtain on an entertaining nine-year cameo at the top levels of soccer. Ireland, not a traditional soccer power, developed an endearing habit of giving more celebrated teams an unexpected poke in the eye. It started in Stuttgart in

WORLD CUP QUALIFIERS

the European Championship finals in 1988, when tiny Ray Houghton scored to beat England, 1-0. In Italy in 1990, Ireland beat Romania on penalties to reach the last eight, and in the United States in 1994, Houghton scored as Ireland beat Italy, 1-0, in a group match to reach the last 16.

And it was Houghton, aging now and playing in the lower divisions of the English league, who came on as a substitute to score Ireland's equalizer in the 56th minute. It was a carbon copy of his goal against England more than nine years ago, a twisting leap to create a cunning lobbed header.

The lead did not last long. In the 67th minute, Claessens flicked the ball over his head leaving the Irish defense flat-footed and Luc Nilis free to beat Given from close range.

Italy 1, Russia 0 Cesare Maldini, the Italy coach, picked five defenders, three hardworking midfielders and two strikers known for their strength and work ethic rather than their flair. Italy, which had tied 1-1 in Moscow in the first leg, won few style marks, but it gained a place in the finals.

Pierluigi Casiraghi scored the only goal in the 53d minute. Demetrio Albertini lobbed the ball accurately over the Russian defense. Casiraghi ran onto the ball and drilled a low shot into the corner of the goal from the edge of the penalty area. After that, the massed Italian defense comfortably held off Russia's ragged attacks.

Yugoslavia 5, Hungary 0 In Belgrade, Pedrag Mijatovic scored four goals as Yugoslavia completed its rout of the Hungarians. Savo Milosevic scored the other goal. Mijatovic had scored three goals in Yugoslavia's 7-1 victory in the first leg.

Ukraine 1, Croatia 1 In Kiev, Andriy Shevchenko scored for Ukraine after four minutes. But Alen Boksic leveled with a deflected shot in the 18th minute, and Croatia qualified for its first World Cup, 3-1 on aggregate.

"We fought like knights," said Miroslav Blazevic, the Croatia coach. "We are on our way, where we belong, where we will prove we are a soccer nation."

■ Japan Reaches Cup Finals

Japan qualified for the World Cup finals for the first time Sunday when Masayuki Okano scored in the 28th minute of a sudden-death overtime against Iran.

Japan won a playoff match of contrasting styles, 3-2, in Johor Bahru, Malaysia. Iran can still reach the finals if it wins a two-game playoff against Australia this month.

Japan, which had won its last two group matches to sneak into the playoff, played a confident quick-passing attacking game. Iran, which had collapsed in its last three group games to surrender first place and a certain place in the finals, preferred to defend, often ponderously, throughout.

As the Iranians tired in overtime, Japan had several one-on-one chances but could not score. But the best chance fell to Ali Daei, who scooped the ball into an empty goal from close range. Seconds later, Shoji Jo scooted in to score.



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